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Daily Report China

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General

PRC: Spokesman Says Political Parties Must Support Basic Law

*HK2905052996 Hong Kong WEN WEI PO in Chinese
29 May 96 p A12*

[Dispatch from Beijing by staff reporter Han Hua (7281 2901) on 28 May: "Foreign Ministry Spokesman Says There Is No Change in Policy, Hong Kong Political Parties Must Support Basic Law"]

[PTS Translated Text for FBIS] At a Foreign Ministry press briefing today, a reporter asked: In an interview with the U.S. media, Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, indicated that if the Hong Kong Democratic Party is ready to observe the laws of the special administrative region after 1997, it may freely join in elections. Does this mean that the central government is ready to treat the Democratic Party with a more generous [kuan song 1401 2646] attitude?

Foreign Ministry spokesman Shen Guofang stressed: The central government policy has always been generous and it has remained unchanged. He pointed out: The condition is that all political parties must support the Basic Law and must love China and Hong Kong. He also reaffirmed that with the exception of national defense and foreign affairs, all other specific affairs will be handled by the special administrative region government and that the central authorities will not interfere.

PRC: Further on Spokesman's Comments on Arms Transfers

*OW2905000596 Beijing XINHUA Hong Kong Service
in Chinese 1305 GMT 28 May 96*

[FBIS Translated Text] Beijing, 28 May (XINHUA) — Foreign Ministry spokesman Shen Guofang said here today that China has assumed a prudent and responsible attitude in transferring conventional weapons.

In response to a question concerning the issue at a news conference this afternoon, the spokesman said: China has definite and strict regulations regarding the transfer of weaponry and technology. He said: Any individual or company privately engaged in the transfer of weaponry and technology without the government check and approval will receive due legal penalties.

As for the U.S. censure of some Chinese companies for involvement in smuggling firearms to the United States, he said the matter awaits further understanding and verification.

PRC: Spokesman on Weapons, U.S. Relations, Taiwan Issue

*OW2805173496 Beijing ZHONGGUO XINWEN SHE
in Chinese 1536 GMT 28 May 96*

[FBIS Translated Text] Beijing, 28 May (ZXS) — Chinese Foreign Ministry spokesman Shen Guofang pointed out this afternoon: China has always had strict regulations regarding its transfer of weapons, equipment and technology, and maintains a prudent and responsible approach regarding the transfer of conventional weapons. Any companies or individuals privately engaged in the transfer of weapons, equipment, and technology without the government's check and approval will receive due legal penalties.

Shen Guofang made the above remarks while answering a reporter's question on China's exportation of weapons.

Touching on Sino-U.S. relations, Shen Guofang said that both China and the United States are influential big countries and both are permanent members of the UN Security Council; and, therefore, both countries bear great responsibilities in safeguarding world peace and stability.

Shen Guofang stressed: There are many common interests between China and the United States. Of course, there are also differences on some issues between the two sides, but the common interests of the two sides are far greater than the differences between the two sides. The important thing is that the leaders of the two countries should have their eyes on common points, expanding them while narrowing differences between them.

The spokesman said: China is willing to improve and expand Sino-U.S. relations and hope there will be normal and good cooperation between the two countries. Differences between the two countries should be resolved through dialog and consultations.

Shen Guofang pointed out: The principle issue in Sino-U.S. relations is the Taiwan question. Regarding this question, so long as the governments of the two countries strictly abide by the principles of the three joint communiques, their relations will not be considerably affected [shou dao da di ying xiang 0649 0451 1129 4104 1758 7302]. Other issues can be resolved by the two countries through dialog and negotiations.

PRC: Spokesman 'Optimistic' About Sino-U.S. Relations

OW2805131296 Beijing China Radio International in Mandarin to Hong Kong, Macao, the Zhu Jiang Delta, and Southeast Asia 0900 GMT 28 May 96

[From the "News and Report on Current Events" program]

[FBIS Translated Text] At a news conference on 28 May, Foreign Ministry spokesman Shen Guofang said he has an optimistic attitude toward the future of Sino-U.S. relations.

Shen Guofang said both China and the United States are very influential and important countries in the world and both are permanent members of the UN Security Council, and, therefore, both sides play a very important role in safeguarding world peace and stability. The leaders of both sides understand that developing Sino-U.S. friendship and cooperative relations conforms with the fundamental interests of the two countries.

He stressed that although there are differences on some issues between the Chinese and U.S. sides, the common interests of the two sides are far greater than the differences between the two sides. As long as the leaders of the two sides have their eyes on expanding common points and narrowing differences, the future of Sino-U.S. relations are optimistic.

PRC: Spokesman on Jiang's Africa Visit, Sino-U.S. Relations

HK2905080796 Beijing CHINA DAILY in English 25 May 96 p 1

[By Chen Yanni: "African Ties Poised for Further Growth"]

[PTS Transcribed Text for FBIS] It has been mutually agreed that further strengthening of the historical Sino-African friendship serves the fundamental interests of both sides, a Foreign Ministry spokesman said yesterday in Beijing.

In summing up Chinese President Jiang Zemin's recent visit to five African countries, spokesman Shen Guofang said that the leaders had agreed to learn from each other and seek common development in the process of domestic development.

In addition to governmental ties, Chinese and African enterprises should be the focus of cooperation, Shen said at the routine news briefing.

Both sides also agreed that it is of great importance for China and African countries to reinforce unity and cooperation in international affairs.

Referring to Sino-US relations, Shen said that the common interests shared by the two countries are much greater than their differences.

As long as the two sides abide by the three Sino-US joint communiques, he noted, the Taiwan issue, which is particularly sensitive, could be solved quite easily.

The communiques are the Shanghai Communique signed in 1972 when then-US President Richard Nixon visited China, the Joint Communique on the Establishment of Diplomatic Relations Between the People's Republic of China and the United States of America in 1978 and the Joint Communique on the US Gradual Reduction of Arms Sales to Taiwan signed in 1982.

When asked to comment on the US's accusation that some Chinese companies are involved in smuggling weapons into the United States, Shen said events were not clear yet and needed further investigation.

PRC: Ambassador to UN Hails Sino-African Friendship

OW2905062196 Beijing XINHUA in English 0606 GMT 29 May 96

[FBIS Transcribed Text] United Nations, May 28 (XINHUA) — Chinese Ambassador Qin Huasun hailed President Jiang Zemin's six-nation Africa tour and Sino-African cooperation at a reception for African ambassadors this evening.

Qin, China's Permanent Representative to the United Nations, said at the reception that President Jiang's visit had created a historical milestone in Sino-African friendship and added a glorious new chapter to the annals of China's cooperation with developing countries.

"Further strengthening Sino-African unity and cooperation is of great importance for maintaining world peace, seeking common development and establishing a just and reasonable new international political and economic order," he said.

He noted that President Jiang declared during his tour that China was ready to consolidate and nurture a long-term and stable relationship and comprehensive cooperation with African countries. The president said such relations would be oriented toward the 21st century on the basis of the Five Principles of Peaceful Coexistence and made a five-point proposal to this end.

"We maintain that African countries should have a greater say in international affairs and the international community should earnestly heed the voices of African countries and respect the views of these countries and the OAU (Organization of African Unity)," Qin stressed.

He said that China and African countries have always supported and helped each other in international affairs and in national development.

"China always backs African countries in their just struggle to safeguard national independence, sovereignty and dignity, respects their choices of political system and development path made in light of their national conditions and supports their efforts to maintain domestic stability and unity, reinvigorate their economy and promote social progress.

"The Chinese government and people will never forget the valuable support rendered China by the African countries," he added.

Lansana Kouyate, representative of U.N. Secretary-General Butrus Butrus-Ghali, said that Africa must not become "the forgotten continent" at the beginning of the 21st century simply because it is unable to reap the benefits of globalization.

"The President of the People's Republic of China has served the interests of all of us — Africans and non-Africans alike — by making his important visit to the region and thereby helping to keep the focus of the international community on this important continent," he said.

Kasanda, permanent representative of Zambia to the United Nations, also made a speech at the reception.

U.N. Under-Secretaries-General Akashi Yasushi, Kofi Annan and Jin Yongjian, ambassadors of nearly 50 African countries, and permanent observers of the OAU and of the League of Arab States attended the reception.

United States & Canada

PRC: Sino-American Cooperation Taps Energy Resources

OW2905101696 Beijing XINHUA in English
0948 GMT 29 May 96

[FBIS Transcribed Text] Hohhot, May 29 (XINHUA) — China and the United States have reached agreement to jointly develop solar and wind energy in the Inner Mongolia Autonomous Region.

Pang Shuqin, an official of the regional office in charge of new energy, said that the two countries will invest in a wind-driven, solar power grid specially-designed for farms in remote areas.

A survey showed that the annual wind power potential in Inner Mongolia, a renowned pastoral area in China, equals the amount of energy generated by 332 million tons of standard coal, and accounts for 20 percent of China's total wind power resources.

Pang noted that the first construction phase of the grid will include 150 households, and each will be supplied with 400 to 450 watts of electricity.

The project will cost 500,000 US dollars, which will be shared equally by the two investors.

The project will be implemented this year after the plan is approved by government departments of the two countries.

Northeast Asia

PRC: CPPCC Vice Chairman Qian Zhengying Meets ROK Visitors

OW2605071596 Beijing XINHUA in English
0615 GMT 26 May 96

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — Qian Zhengying, vice-chairperson of the National Committee of the Chinese People's Political Consultative Conference, met here today with a Korea-China Cultural Association delegation headed by its president Yi Chong-chan.

They had a cordial conversation on strengthening cultural exchanges between China and the Republic of Korea with a view to enhancing friendship between the two peoples.

Established in China's Chongqing, Sichuan Province, in 1942, the Korea-China Cultural Association has had long-term exchanges with relevant Chinese institutions. The delegation is here as guest of the Chinese People's Association for Friendship with Foreign Countries.

PRC: PLA Officer Meets With DPRK Army Delegation

OW2805142396 Beijing XINHUA in English
1406 GMT 28 May 96

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — Lieutenant General Wu Quanxu, deputy chief of the general staff of the Chinese People's Liberation Army (PLA), met here today with a delegation of Korean People's Army led by General Chong Chang-yol, vice-minister of the People's Armed Forces of the Democratic People's Republic of Korea (DPRK).

PRC: Beijing Hosts 2d Sino-DPRK Oceanography Meeting

OW2905090696 Beijing XINHUA in English
0812 GMT 29 May 96

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — The second oceanography meeting held between China and the Democratic People's Republic of Korea (DPRK)

opened here today, marking the tenth anniversary of the two nations' co-operation in the field of oceanic research.

During the ten-year period, the two countries launched wide-ranging co-operation through exchanges of data and scientists, joint research projects, and co-sponsoring academic meetings, achieving fruitful results in the field.

The ongoing meeting will provide an opportunity for the two sides to exchange information on data processing, marine glacier monitoring, maritime typhoon research, protection of marine organisms and maritime legislation.

"The meeting will surely promote the steady development of oceanic co-operation and exchanges between the two countries," said Chen Bingxin, deputy director of the State Oceanographic Bureau.

"I hope the two countries will continue to make contributions to the development of world oceanography," he added.

Sub-Saharan Africa

PRC: Jiang Zemin Visits Namibian Children's Center

OW2805043696 Beijing XINHUA Domestic Service in Chinese 1646 GMT 20 May 96

["Feature" by reporter Liu Jiang (0491 3068): "Sowing Friendship in the Hearts of the Younger Generation — An Account of President Jiang's Visit to the Windhoek Children's Center"]

[FBIS Translated Excerpt] Windhoek, 20 May (XINHUA) — This morning, Windhoek was bathed in sunshine. The Windhoek Children's Center, which is located in the northwest outskirts of the city, was filled with festive atmosphere. A few hundred neatly dressed children, led by their teachers, lined up at the main gate of the center to welcome President Jiang Zemin, an honorable guest from China, a country far away from Namibia.

At 0950, when Jiang Zemin and his party were entering the main gate, the whole courtyard of the center seemed to be boiling — the children chanted welcoming slogans and waved Chinese and Namibian national flags. The smiling faces of the children looked like flowers. A young girl pinned a red flower on President Jiang's chest, and President Jiang, all smiling, gently caressed her head and expressed his thanks to her. Warm applause erupted among the crowd. [passage introducing the children's center omitted]

After President Jiang entered the courtyard, 15 children dressed in white began to dance to light music and sing songs of praise and blessing. Later, a group of boys,

barefooted and in traditional Namibian costumes, began to perform a passionate African dance. Miss Caropu, director of the children's center, told President Jiang that the center had begun its summer holidays, but, when the children heard that they were going to perform for Chinese guests, they raced to express their goodwill for China. President Jiang was very much pleased, and gave prolonged applause for the children's performance. [passage omitted]

In the center's gymnasium, President Jiang cordially chatted with two Chinese coaches who arrived in Namibia not long ago. He said: You should work earnestly here to help Namibia nurture the younger generation. African people are good in sporting events, springing, and jumping, and have good endurance. I believe that you will achieve good results here.

After the visit, Jiang Zemin returned to the courtyard and wrote in a visitors' book: "The future of the country; the hope of the nation." Later, he presented a batch of book bags, stationery, and candies, to the center. The courtyard was filled with applause and laughter. Miss Caropu, who had worked for children's education for 16 years, emotionally told this reporter: "President Jiang's visit has sown the seeds of Namibian-Chinese friendship in the hearts of the younger generation of Namibia. We will work hard to pass on this friendship from generation to generation, so it will continue to bear beautiful flowers and abundant fruits."

PRC: Jiang Zemin Visits Meat Processing Plant in Namibia

OW2605122396 Beijing XINHUA Domestic Service in Chinese 1616 GMT 20 May 96

[By correspondent Liu Jiang (0491 3068)]

[FBIS Translated Excerpt] Windhoek, 20 May (XINHUA) — This morning, President Jiang Zemin and his entourage visited the United Namibia meat processing plant, which is located in a suburban area of Windhoek.

In the plant's conference room, Jiang Zemin was briefed by Taff Burger, chairman of the meat processing company, and watched a video tape. Later, in the company of Biana, manager of the plant's slaughtering department, Jiang Zemin visited the slaughtering, dismembering, packaging, and freezing shops. The Chinese visitors were deeply impressed by the plant's modern technology and management. [passage omitted introducing the plant]

**PRC: 'Roundup' Views Jiang Zemin's Visit,
Sino-African Relations**

OW2405125596 Beijing XINHUA Domestic Service
in Chinese 1403 GMT 22 May 96

[Roundup by reporter Liu Jiang (0491 3068): "A Milestone for Developing Cross-Century Sino-African Relations"]

[FBIS Translated Text] Harare, 22 May (XINHUA) — President Jiang Zemin left for home on 22 May after concluding fruitful state visits to six African nations. In a short two weeks beginning on 8 May, he successively visited Kenya, Ethiopia, Egypt, Mali, Namibia, and Zimbabwe, covering some 38,000 km over eastern, western, southern, and northern Africa. This is the first time in recent years a supreme Chinese leader has visited Africa. The visit has established a new milestone for consolidating and strengthening Sino-African traditional friendship as well as developing Sino-African friendly and cooperative relations geared toward the 21st century.

Beginning with the day he set foot on African soil, Jiang Zemin enjoyed good brotherly friendship as all six nations attached great importance to his visit and accorded him high-level receptions. The president, premier, parliament speaker, and all cabinet members of some nations welcomed Jiang Zemin at the airport, while the president of some nations accompanied him on his visit throughout. Jiang Zemin's motorcade was often welcomed by tens of thousands of people lining the two sides of roads. The grand occasions and warm atmosphere were unforgettable.

During his visit, Jiang Zemin held a series of meetings and official talks with heads of state and government of the six nations as well as leaders of the Organization of African Unity [OAU] and the Arab League, reaching broad common understanding on bilateral relations and major regional and international issues. In Addis Ababa, where the OAU is located, President Jiang Zemin delivered a long speech on African policy. He forwarded five principled proposals for the development of Sino-African relations under the new situation, which is sincere and friendly; equal; mutually beneficial; strengthened with consultations; and future-oriented. This policy won great praise and broad support from African nations.

During their talks, Chinese and African leaders unanimously held that China and Africa share long historical origins in their friendship, which has withstood the test of time and a changing international situations. Further, China and Africa share similar experiences and are both faced with the tasks of revitalizing the national economy

and maintaining political stability. Therefore, it is easy for the two to communicate with and understand each other. Under the new situation, it is necessary and possible for the two sides to become "all-weather friends." They can enhance contacts and exchanges in various fields and march hand in hand toward the 21st century with more substantive, more specific, and more fruitful cooperation.

In regard to their views on the African situation and international relations, the Chinese and African leaders share unanimous opinions. Currently, the strong impact on Africa following the great changes in the post-Cold War international situation has basically passed, and Africa is entering a new era principally characterized by its bid for stability and development. From a long-term point of view, Africa is passing from the "liberation century" to the "development century" and striving to achieve the second historical leap from national independence to economic takeoff. Both sides held that there are many opportunities as well as challenges for Africa — and even the world — to achieve peace and development. China and Africa should enhance consultations and cooperation in international affairs, oppose hegemony and power politics, and strive jointly to establish a just, rational, and new international political and economic order.

During President Jiang's visit, Chinese and African leaders held fruitful examination on ways to strengthen bilateral economic and technological cooperation and made many specific achievements. The two sides felt that, since China is experiencing rapid economic growth and possesses sizable funds, technologies, and management experiences, and Africa has rich resources and vast markets, there is huge potential and bright prospects for bilateral cooperation. Both sides have agreed to gradually expand cooperation among large enterprises while maintaining intergovernmental cooperation. They will encourage enterprises of both sides to play a greater role in Sino-African economic and trade cooperation through joint ventures to achieve the objective of mutual benefits and joint development. During the visit, the Chinese Government signed a total of 23 documents on economic and technological cooperation with governments of the six nations.

President Jiang Zemin's fruitful visits to the six African nations have achieved the objective of "enhancing friendship, strengthening unity, promoting cooperation, and learning from the African people." As the African press has remarked, this is a "historical visit" and a major event in the history of Sino-African relations. This visit has opened a new chapter in Sino-African friendly and cooperative relations and will make new

and great contributions to promoting world peace and development.

East Europe

PRC: Vice Premier Li Lanqing Arrives in Hungary for 4-Day Visit

*OW2705022196 Beijing XINHUA in English
0154 GMT 27 May 96*

[FBIS Transcribed Text] Budapest, May 26 (XINHUA)
— Chinese Vice Premier Li Lanqing arrived here today for a four-day official visit at the invitation of the Hungarian government.

State Secretary of the Finance Ministry Akar Laszlo and Director of the Foreign Ministry Juhasz Otto welcomed Li at the airport.

Chinese Ambassador to Hungary Chen Ziliou and the Chinese embassy's Commercial Counsellor Guo Ziyi also attended the welcome ceremony.

This is the first leg of Li's European tour.

PRC: Vice Premier Li Lanqing Meets Hungarian Finance Minister

*OW2905044896 Beijing XINHUA in English
0122 GMT 29 May 96*

[FBIS Transcribed Text] Budapest, May 28 (XINHUA)
— Visiting Chinese Vice-Premier Li Lanqing met

Hungarian Finance Minister Peter Medgyasszay today to discuss further trade and economic cooperation.

They briefed each other on economic developments and reforms in their respective countries which, they agreed, should find new avenues of cooperation in investment, joint ventures and finance.

Zoltan Gal, chairman of the Hungarian National Assembly (parliament), also met the Chinese vice-premier today.

Gal said that Hungary attaches importance to developing relations with Asia, especially with China.

The two countries enjoy sound political relations which serve as a foundation for further development in the bilateral relationship, he added.

Political & Social

PRC: Jiang Zemin on 'Supreme Authority' of Government in Tibet

*OW2805132896 Beijing XINHUA in English
1314 GMT 28 May 96*

[FBIS Transcribed Text] Xigaze, May 28 (XINHUA) — A ceremony was held in the Zhaxi Lhunbo Lamasery in Xigaze today to unveil a golden inscribed board with words "Safeguard the Country and Benefit the People", presented by Chinese President Jiang Zemin.

The board was unveiled by Pagbalha Geleg Namgyai, vice-chairman of the Standing Committee of the National People's Congress, and Chen Kuiyuan, secretary of the Tibet Autonomous Regional Committee of the Communist Party of China (CPC).

Addressing the ceremony, Raidi, chairman of the Standing Committee of the Tibet Regional People's Congress, said that when the 11th Panchen Lama was enthroned on December 8, 1995, President Jiang Zemin wrote the inscription of "Safeguard the Country and Benefit the People" for the Zhaxi Lhunbo Lamasery, the seat of the Panchen Lama.

He said, "The inscription serves as a high assessment of all previous Panchen Lamas and the glorious patriotic tradition of the Zhaxi Lhunbo Lamasery. It has also charted the orientation of advance for the 11th Panchen Lama, the Zhaxi Lhunbo Lamasery, patriotic figures from the Tibetan Buddhism community and all religious believers."

The inscription draws on the true meaning of Buddhism, praises religious believers of various ethnic groups for their patriotic tradition of safeguarding national unity and wishing their motherland prosperity and the people in peace, he said.

It also reflects the supreme authority of China's central government to administer Tibet, he added.

"Meanwhile, under the new historical conditions, the inscription provides rich ideological contents and profound political significance which are compatible with socialist society," he said.

He explained that "Safeguard the Country and Benefit the People" means that religious believers and non-believers should become united under the banner of patriotism and socialism and unswervingly safeguard China's unity and national unity among the people of various ethnic groups.

It requires patriotic figures from the religious community and religious believers to sincerely support the leadership of the CPC, and safeguard China's state sovereignty and the authority of the central authorities.

It also stresses the need to guide religion to adapt to socialist society, and safeguard the interests of the country and of the people.

"China will by no means tolerate any splittist activities by the Dalai group in exile under the cover of religion and with the backing of foreign hostile forces, which are intended to oppose the Party leadership, endanger national sovereignty, and negate the supreme authority of the central authorities over Tibet," he reiterated.

He called on all patriotic Tibetan Buddhists to take a firm and clear-cut stand over matters of principle and to fight resolutely against the splittist activities of the Dalai group.

He went on to say that the autonomous region will implement the party's religious policy in an all-round and correct way, strengthen the management of religious affairs according to law, guide religion to adapt to the socialist society, and unite all Tibetan people to achieve the common objective of building the modernized socialist nation.

Meanwhile, only by upholding the dignity of the laws, defending public interests and unity among the people of various ethnic groups, and safeguarding the country's unity, can all religious believers and temples be good to the country and the people, be good to national development and social progress, and be also good to their own benefits and progress, he added.

In his speech, Cering, chairman of the Democratic Management Committee of the Zhaxi Lhunbo lamasery, expressed sincere thanks to President Jiang Zemin on behalf of the committee and lamas and living buddhas of the lamasery.

He vowed that in accordance with President Jiang's inscription, his lamasery will make its due contributions to the unity of the motherland, the unity among the people of various ethnic groups, carrying forward the Tibetan Buddhism's tradition of loving the motherland and the religion, and building the new Tibet that will still be more united and prosperous.

The golden board, three meters long and 1.3 meters wide, is to be hung above the gate of the lamasery's main hall.

Today's ceremony was attended by 1,000 Buddhist believers and nonbelievers.

**PRC: Monks, Laymen Hail Golden Board
Inscription by Jiang Zemin***OW2805145096 Beijing XINHUA in English
1440 GMT 28 May 96*

[FBIS Transcribed Text] Xigaze, May 28 (XINHUA) — Religious believers and laymen in the Tibet Autonomous Region have today hailed the golden board presented by President Jiang Zemin.

In Jiang's handwriting, the golden board unveiled today in the Zhaxi Lhunbo Lamasery was inscribed with words of "Safeguard the Country and Benefit the People".

Tibetans expressed their heartfelt gratitude for the care for Tibetan Buddhism from the central government and the Communist Party.

"I feel very happy today, I thank the president from the bottom of my heart," six-year-old 11th Panchen Lama said, uttering the words on the board repeatedly in both Chinese and Tibetan.

"This is a day of auspiciousness and jubilation, and I'm rather happy to attend such a grand ceremony in my lifetime," 74-year-old monk Puncog said excitedly. He has been staying at the lamasery since he was nine.

"I whole-heartedly thank the president for his special care for Tibetan Buddhism," Puncog said.

Sarkang Gajim Cering, vice-director of the Democratic Management Committee of the Zhaxi Lhunbo Lamasery, is a well-respected monk who is versed in Tibetan Buddhism.

Over the past 550 years, successive Panchen Lamas, with their patriotic activities, gained support from the vast religious believers and nonbelievers and the central government, he said.

In its history, the lamasery had received four boards from ancient emperors of China, but it is the first time that a top leader of Chinese Communist Party has presented the historic golden board to the religious circles after the founding of new China.

"The inscription of the board demands that we continue to uphold the banner of patriotism, firmly safeguard the unity of the motherland and solidarity of different ethnic groups, defend state sovereignty and the authority of the central government, and protect the interest of the country and the people," Sarkang Gajim Cering said.

"The golden board also fully confirms and greatly encourages the patriotic tradition in our Zhaxi Lhunbo Lamasery," he said. "We lamas should love the motherland first and then go in for religious activities which we believe in."

He vowed that all the lamasery's 800 lamas will live up to the expectations of the president, and staunchly oppose the Dalai clique's evil activities designed to damage the unity of the motherland and ethnic solidarity in the name of religion.

Ordinary Tibetan people also found it a grand day today, many of them walked around the lamasery reciting Buddhist scriptures and made sincere kowtows.

In addition to the lamasery's lamas, more than 200 Tibetan people gathered at the courtyard of the lamasery to attend the board-unveiling ceremony.

"A lot more people aspired to attend the ceremony, but the place is limited," Baiba, mayor of Xigaze City, said.

"The Dalai Lama has long been engaged in splitting activities abroad, and in particular he announced a fake reincarnated child (of the deceased 10th Panchen Lama) last year to overly disrupt the search for the reincarnation," he said.

As a result, the Tibetan people made clear Dalai Lama's purpose to bring calamity to Tibet and Tibetan Buddhism, and people give more support to the 11th Panchen Lama, he said.

At the end of the board-unveiling ceremony, people sang and danced hand in hand in the courtyard, around which golden roofs of the lamasery glimmered in the sunshine.

PRC: Patriotism of Past Panchen Lamas Recounted*OW2805140896 Beijing XINHUA in English
1358 GMT 28 May 96*

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — The fourth Panchen Erdini Lozang Chhoegyad first suggested and encouraged the fifth Dalai Lama to send a representative to build contacts with the central government and submit to the authority of the Qing Dynasty.

Then, the fifth Panchen Lama Erdini Lozang Yeshe was officially granted the title of Panchen Erdini by the central government, a move established the political-religious status of the living buddha of Panchen Lama system.

Afterwards, bringing tributes, the sixth Panchen Erdini Paldan Yeshe came to Beijing, and strengthened the close ties between Tibet and the central government.

Under the leadership of the seventh Panchen Erdini Tanpi Nyima and the eighth Panchen Erdini Tanpi Wangchhug, the Tibetan people safeguarded the integrity of the Chinese motherland by resisting foreign invasions.

The two Panchen Lamas also advocated and implemented the "29 Article Statutes" set by the central government.

The ninth Panchen Erdini Chhoekyi Nyima also led the Tibetan people to resist British invasions and engage in activities of publicity against Japanese aggression.

All previous Panchen Lamas have made positive contributions in consolidating and strengthening the central government's rule over Tibet, safeguarding the integrity of the motherland's territorial integrity as well as national unity, and safeguarding the fundamental interests of the religious believers.

The 10th Panchen Lama Erdini Qoigyai Gyaincain was a great patriot, famous statesman, faithful friend of the Chinese Communist Party and an outstanding leader of the Tibetan Buddhism.

Before he passed away, the great master often said that his true wish was to achieve the unity of the motherland and the unity among different ethnic groups, bring happiness to the people, promote the progress of Tibet, and build a prosperous Buddhism as well as a peaceful world.

He vowed several times that he would work unremittingly and, if he cannot fulfill all these goals this life, he will do it in his next life, the lama once said.

He usually taught believers of the Zhaxi Lhunbo lamasery to love the country and religion, study and practice Buddhism meticulously, and make unremitting efforts to spread and promote Tibetan Buddhism.

He also asked the believers to adhere to the stand of patriotism, unity and progress, and to firmly oppose separatism and perverse acts.

In this way the Panchen Lama made meritorious contributions to safeguard national unification and unity among different ethnic groups.

The Zhaxi Lhunbo Lamasery, the seat of all Panchen Lamas, has a long tradition of patriotism.

Historically speaking, lamas and living Buddhas of the lamasery have made notable contributions in consolidating the relations between the central government and Tibet, respecting the ultimate authority of the central government, resisting the invasions of the Gurkha army and the British imperialists, and safeguarding the integrity of the country's territory.

After the founding of the People's Republic of China in 1949, monks have continued to hold the banner of patriotism. Even when a riot took place in Lhasa, monks in the lamasery resolutely safeguarded the unity of the

motherland and opposed the separatism, by following Panchen Lama's instructions.

In the course of searching for and confirming of the soul boy of the 10th Panchen Lama, lamas and living Buddhas of the lamasery contributed their part to completing the work smoothly.

PRC: Dissident Chen Ziming's Health Deteriorates in Prison

HK2905063496 Hong Kong SING TAO JIH PAO
in Chinese 29 May 96 p a2

["special Dispatch": "Chen Ziming's Cancer Cells Reportedly Proliferate; as Prison Medical Treatment Stops, He Moves Toward Death"]

[PTS Translated Text for FBIS] Yesterday [28 May], well-known dissident Chen Ziming's spouse Wang Zhihong [3769 0037 5725] visited Chen, who has been held in the Beijing No.2 Municipal Prison, and learned some shocking news — Chen Ziming's cancer cells are proliferating, according to the information center of Chinese Human Rights and Pro-democracy Movement.

Back in 1993 before Chen Ziming was on parole, Chen Ziming felt continuous pain on the right side of his bladder, but had not been able to have a checkup until May 1994 when he was on parole. After a checkup confirmed that there was a cancerous tumor on the right side of his bladder, but the left side bladder was normal. An operation was performed to remove the cancerous tumor in September 1994. Starting from May this year, however, Chen Ziming has felt continuous pain on the left side of the bladder, and the symptoms were exactly the same as what he felt in 1993.

Yesterday, the information center of the Chinese Human Rights and Pro-democracy movement consulted a professor specializing in cancer at the No. 2 Hospital attached to the Hunan Medical University, who believed that most likely the cancer cells in the right side had already proliferated to the left side. The professor said that originally, the five-year survival rate in a case like Chen Ziming's was only around 30 percent. Should the cancer cells proliferate, the survival rate would drop to around five percent.

According to the professor, the two years after a resection operation are the most vital to a patient suffering from cancer. To overcome the cancer, two extremely important conditions are involved; first, the patient must strictly follow the plan for therapy formulated by the doctor; and second, great attention must be paid to the patient's nutrition and rest.

In view of Chen Ziming's conditions today, it is out of the question for him to fulfill these two important

requirements. Since Chen Zimin was put into prison again, the plan for therapy has been totally stopped; some medicines must be refrigerated, and it is impossible to keep a refrigerator in Chen's prison cell; when traditional Chinese medicinal materials are involved, it is likewise impossible because they must be brought to a boil in water, and simmered for some time to make the tonic effective, but each time the jailer would bring him the tonic the water was not even boiled.

Nutrition and rest are even poorer. According to Wang Zihong, food in the prison is extremely inferior, lacking in vegetables and high-protein foods; furthermore, when the meals are delivered to the cells, they are completely cold. Every time Chen Ziming eats, he immediately suffer from diarrhea.

Such being the case, now Chen Ziming basically lives on instant noodles. When a patient suffering from cancer lives only on instant noodles, it is absolutely impossible to prevent the proliferation of cancer cells. Furthermore, the air in the prison cells is dirty, with rats, bedbugs, and cockroaches running everywhere; in the evening, other inmates talk loudly, and it is impossible to go to sleep. Besides, Chen Ziming's heart disease, and hepatitis have grown increasingly more serious, thus Chen Ziming has been pushed toward the edge of death.

PRC: Family Members of '4 June' Victims Claim Compensation

HK2905073596 Hong Kong SING TAO JIH PAO in Chinese 29 May 96 p a2

[Report by Special Correspondent Wei Kuo (7614 6665): "Family Members of the Victims of '4 June' Incident Write a Letter to NPC To Petition for Compensation"]

[PTS Translated Text for FBIS] On the eve of the seventh anniversary of the "4 June" incident, 31 family members of the victims of the incident again jointly wrote a letter to the National People's Congress [NPC] Standing Committee a few days ago.

The letter points out: "Seven years ago, the NPC Standing Committee, as the supreme power organ of the state, failed to comply with the popular will to stop the bloody massacre of students and civilians in the capital by the troops. It failed to face squarely the disastrous consequences brought about by the incident, and promptly deal with the aftermath. We cannot but feel disappointed at all this."

Over the past seven years, Ding Zilin and others have found out through investigation that nearly 150 victims of the "4 June" incident. Among them, the eldest was 56, and the youngest was 9; 37 were undergraduate students,

9 were Ph. D. candidates and postgraduate students; 9 were secondary school students, 2 were primary school students, and 17 were the only son or daughter in the family. The victims were survived by 44 widows, widowers, and children. According to the results of the investigations, none of these victims committed any violence. Many of them were shot while attempting to rescue people who were killed or wounded, and most of them were pursued and killed in a residential area. According to the death toll of the incident estimated by the various hospitals in Beijing, the above-mentioned 150 persons only accounted for a very tiny number of the total victims.

Last year, family members of the victims of the "4 June" massacre wrote a letter to the NPC Standing Committee, urging them for an explanation for those innocent victims in a conscientious and responsible manner. But a year has gone by, and they have not received any reply. They are compelled to reiterate their demands:

- 1) The NPC Standing Committee must form a special committee to conduct an independent and fair investigation of the "4 June" event. The results of the investigation, including death tolls and namelists of the victims, must be announced to the people of the whole country.
- 2) The NPC Standing Committee must enjoin the relevant government departments to explain according to the law the cases concerned to the family members, and make compensation for the victims and their family members.
- 3) The NPC Standing Committee must enjoin an investigation organ to place the "4 June" massacre on file for investigation, and affix according to law the legal responsibility for the incident.

The letter calls on the NPC Standing Committee to make a corresponding response to the three demands mentioned above.

They call on the NPC Standing Committee and the people's deputies at all levels to take the responsibility, and fulfill their mission to promote and supervise the fair settlement of the "4 June" incident. In the meantime, they also "call on the people of the whole country to show concern for the fate of the victims of the '4 June' incident, and their family members."

In addition, the Alliance for a Democratic China and Chinese Liberal Democratic Party should issue a statement abroad, pointing out that over the past seven years the Beijing authorities have tried to evade this historical event which has become the focus of world attention. But they cannot persist in doing so for a long time. A government which does not treat its people well will

not be respected by the international community. Leaders from one side of the strait stress that "Chinese must not 'fight Chinese,'" whereas leaders from the other side emphasize that "Chinese must help Chinese." Actually, genuine nationalists must first of all advocate the practice of "Chinese respecting Chinese." Seven years have elapsed. Do the Chinese still continue to take the "4 June" incident as the glory of the government? Any people's deputies who keep their mouths shut for a long time on the "4 June" incident can only represent the government. If they wish to truly represent the people, they must respect the just demand of those 31 citizens, and plead on behalf of the victims of the "4 June" incident.

**PRC: Dissidents, Families of Tiananmen Dead
Petition NPC**

OW2905085196 Hong Kong AFP in English
0827 GMT 29 May 96

[By Gilles Camplon]

[FBIS Transcribed Text] Beijing, May 29 (AFP) — Chinese dissidents have sent two petitions to parliament, demanding the release of political prisoners and a re-assessment of the events that led to Tiananmen Square massacre, sources said Wednesday [29 May].

The appeals — which in the past have triggered sharp retribution from the authorities — come in the runup to the seventh anniversary of the bloody crackdown of pro-democracy students on June 4, 1989.

A first petition, received here Wednesday, was signed by six dissidents from Zhejiang province, including veteran activist Wang Donghai.

The document, sent to the National People's Congress (NPC), contained five demands, including the immediate and unconditional release of political prisoners such as Wei Jingsheng, Chen Ziming and Wang Dan.

It also called on the NPC to set up an inquiry into the events of June 4, 1989 and to "investigate all authorities who acted unconstitutionally during that time."

The government should make a public apology for the shooting of hundreds of unarmed demonstrators and compensate the families of victims who died in the massacre, the petition said.

It should also establish "round-table talks," with the participation of representatives from all walks of life, to discuss changes to the Constitution that would guarantee freedom of speech and freedom of the press.

Another petition was filed by 31 parents who lost a member of their family during the crackdown. Ding Zilin, a mother of one of the Tiananmen Square fatalities, told AFP by telephone.

Signed mainly by women, it calls on the opening of an inquiry into the bloodshed, "to find those responsible and punish them according to the law" and compensate the families of the victims, she said.

Ding, a 57-year-old university teacher who lost her 17-year-old son in the crackdown, has been fighting for a revision of the official judgement on the disturbances, which brands the young pro-democracy agitators as "counter-revolutionaries."

She has drawn up a list of about 150 names of people who died in the square.

Ding and 26 other mothers last year sent a similar appeal to NPC.

"But we never got a reply," she said. Ding, who suffers from cardiac problems, said that she had been placed under police surveillance since returning to Beijing on May 16.

In previous years, the runup to the June 4 anniversary has often witnessed a spate of petitions written by dissidents and intellectuals.

The Zhejiang petition, disseminated through the New York-based group Human Rights in China, reflects the neutered state of China's dissident movement — all the leaders of which are either in jail or overseas exile.

Although the June 4 massacre occurred seven years ago, the "sound of the guns and bullets still echo," the petition said, adding that the problem of corruption — which sparked the initial 1989 demonstrations — had worsened in the intervening period.

"We believe this corruption stems from the corruption of the system," the dissidents said, criticising the lack of public supervision of officials at all levels.

"The outdated political system is not capable of managing the current economic situation and, despite the anti-graft measures adopted by the government, the situation has not improved.

"This is the principal factor threatening social stability," the petition said, stressing that economic reform without political reform could only give birth to a "deformity" that benefitted no-one.

The petition was signed by Wang Donghai, Chen Longde, Wu Gaoxing, Mao Guoliang, Ye Wenxiang, Fu Quan and Zhao Wanmin.

Wang, 45, was active during the 1979 Democracy Wall movement and again in 1989, for which his role earned him a two-year prison term.

Since his release, he has been a co-signatory of several petitions to the government and written letters demanding the release of Wei Jingheng and Wang Dan.

PRC: Doubt Cast on Reports of Deng Xiaoping Going to South China

HK2905071796 Hong Kong SOUTH CHINA MORNING POST in English 29 May 96 p 8

[By staff reporter]

[PTS Transcribed Text for FBIS] Officials and diplomats have cast doubt on reports yesterday that Deng Xiaoping has travelled to southern China.

A "well-placed Chinese source" told Reuters news agency that Mr Deng, 91, was in good health and had left Beijing.

"He is in south China. I got a call recently," the source said.

"He is in good health. He's quite spirited," the source added, when asked about rumours that Mr Deng was becoming senile.

"He still wants to go to Hong Kong after 1997."

The source did not specify whether the call was from Mr Deng or from his family.

Also yesterday, sources told Apple Daily that Mr Deng was resting in Shanghai and would remain there until the 1997 handover of Hong Kong.

Mr Deng was still in good health, the Chinese-language newspaper reported.

He chose to go to Shanghai because he liked the weather and atmosphere there, it said.

A spokesman for the Shanghai Government said yesterday, however, that he was not aware of the patriarch having come to town.

Another source close to the Shanghai leadership said Mr Deng was still in Beijing and that his condition did not permit him to travel.

"Even when he was fit, Deng usually came to Shanghai only at the Lunar New Year," the source said.

Western diplomats in Beijing said it was unlikely Mr Deng would leave Beijing because he was dependent on the medical facilities and medicines in the capital.

"Nobody dares take the responsibility if Deng's health were to deteriorate after leaving his intensive ward in Beijing," one diplomat said.

PRC: Xinjiang CPPCC Vice Chairman Attacked by 'Separatists'

HK2905091796 Hong Kong M'ING PAO in Chinese 29 May 96 p A12

[Consolidated report by staff reporter: "Xinjiang CPPCC Vice Chairman Is Wounded in Assassination"]

[PTS Translated Text for FBIS] Aronghanaji, vice chairman of the Xinjiang Chinese People's Political Consultative Conference [CPPCC], was wounded in a recent attack by Islamic separatists in Kashi. The 73-year-old elder Imam is the highest leader of the Xinjiang Muslims.

It is understood that when public security officers were rounding up suspects, the two sides fired shots.

Local people said that terrorist organizations outside the border are behind the recent series of violent activities in Xinjiang.

The local people disclosed that since February this year, Muslim separatists in the Kashi area, southern Xinjiang, have planned a series of violent and assassination activities, in which several people were killed and many others were wounded. Earlier, Islamic separatists stabbed and wounded Aronghanaji, vice chairman of the Xinjiang CPPCC. A native of Kashi, Aronghanaji is a vice president of the Xinjiang Institute of Islamic Koran and a standing committee member of the China Islamic Association. The elder Islamic Imam has long resided in southern Xinjiang where the Uyghurs live in compact communities.

The local people added that three suspects from the major violent criminal syndicate participating in the assassination of Aronghanaji and other violent actions were recently rounded up by public security officers, and the two sides had launched a war of bullets. Public security officers said that "the fighting ended" at dusk, but no details on "the fighting" were announced.

In recent years, Muslims in Xinjiang have been allowed to go on pilgrimages to the Middle East. The Xinjiang authorities believe that some outside terrorist organizations advocating separatism take this opportunity to use people's religious beliefs to provoke national contradictions. The local people indicated that suspects recently arrested confessed that terrorist organizations outside the border have contacts with them inside China and have provided financial resources for the violent syndicate in Xinjiang. However, without achieving sensational "results," they will stop financing the syndicate. Hence, terrorist organizations "operated on" certain influential figures.

In response to this newspaper's questions over the telephone, an administrative official from the Xinjiang Government said: Aronghanaji is a non-residential vice chairman. He is "fine," and his condition is "much better." However, the official declined to reveal whether the vice chairman is still hospitalized.

Public order is good in the Xinjiang capital of Urumqi. Violent activities have taken place primarily in the area south of Xinjiang. To meet any emergency, the authorities have placed emphasis on the integration of "strike hard" with "strict precaution" to prevent separatist activities from escalating. The security of government organs has generally been strengthened. Tens of thousands of militiamen from "production and construction units" have also served as reserve forces and have thrown themselves into "strike hard" and "strict precaution."

PRC: Factions 'Jockeying for Position' in Post-Deng Xiaoping Era

HK2905071696 Hong Kong SOUTH CHINA MORNING POST in English 29 May 96 p 8

[By Willy Wo-lap Lam]

[PTS Transcribed Text for FBIS] The Communist Party leadership is leaning towards increasing the number of Politburo Standing Committee members to meet the demands of different factions for "power sharing" in the post-Deng Xiaoping era.

Personnel matters will be on the agenda of the sixth plenum of the Central Committee to be held after the summer. "While structural changes of major organs such as the Politburo are not expected to take place until the 15th Party Congress next year, the major cliques are jockeying for position," a party source said.

He added that in return for the support of major factions, President Jiang Zemin was inclined towards rewarding them with membership of the Politburo Standing Committee.

The most ambitious plan calls for expanding the seats of the committee from seven to 11. Other changes mooted include reinstating the positions of party chairman and vice-chairman to give more outlets to retiring cadres.

It is believed, however, that Mr Jiang has yet to persuade the other factions to accept the further expansion of the so-called Shanghai Faction. A Western diplomat said that since last year Mr Jiang had tried to transfer Shanghai party boss Huang Ju to Beijing.

Apart from strengthening his own position in the capital, Mr Jiang wanted to put an end to the squabbling between Mr Huang and Shanghai Mayor Xu Kuangdi.

Because of opposition, the proposal to make Mr Huang the head of the Central Commission for Disciplinary Inspection and transfer the Governor of the People's Bank of China, Dai Xianglong, to Shanghai to succeed Mr Huang has not yet been submitted to the Politburo.

At the same time, premier Li Peng, who is due to retire as head of government shortly after the 15th Congress, is lobbying for a high position.

Since early this year, Mr Li's personal office has been orchestrating appearances by the premier that highlight his status as a "son of the Revolution".

For example, he visited Yanan, the cradle of the Revolution, during Lunar New Year.

Xinhua (the New China News Agency) last night praised Mr Li for having written a "musical work", Song of the Yangtze, to dramatise the potential of the Three Gorges Dam.

"Many Chinese leaders have written poems to laud the dam, among the most famous was a piece written 30 years ago by the late chairman Mao Zedong," Xinhua said.

PRC: Presidential Decree Promulgates Water Pollution Law

OW1905055096 Beijing XINHUA Domestic Service in Chinese 1227 GMT 15 May 96

[FBIS Translated Text] Beijing, 15 May (XINHUA) — PRC Presidential Decree

No. 66

The "Decision of the National People's Congress (NPC) Standing Committee on Amending the Law of the PRC on the Prevention and Treatment of Water Pollution," approved at the 19th NPC Standing Committee meeting on 15 May 1996, is hereby promulgated and becomes effective on the day of promulgation.

[signed] PRC President Jiang Zemin

[dated] 15 May 1996

PRC: Amendment Adopted To Ban Fraudulent Statistics

HK2305072896 Beijing CHINA DAILY in English 23 May 96 p 1

[By Wu Yunhe: "Amendment To Stiffen False-Statistics Penalties"]

[PTS Transcribed Text for FBIS] Those people who are found to have compiled false statistics will face legal prosecution according to law, a top statistics official warned yesterday.

Shao Zongming, deputy director-general of the State Statistics Bureau, pointed out that the recently promulgated amendment to the Statistics Law has stipulated severe punishment for those who falsify statistics.

The amendment was adopted at the 19th Session of the Eighth National People's Congress Standing Committee, which was concluded on May 15 in Beijing.

In a significant revision of the Statistics Law, which was adopted in 1984, the new amendment includes clear-cut stipulations to ban fraudulent practices in compiling, reporting and using statistics.

He added that as the economy continues to grow, accurate statistics reflecting the development of various sectors have become essential for the government to make timely decisions on macro-economic policies.

However, some grassroots units and officials have been found to deliberately make false statistics to exaggerate their achievements to paint a rosy picture before the public and their superiors for personal reasons, Shao noted.

"Such malpractice is quite rampant at the country's grass-roots level," he said. Anyang County, Henan Province, was singled out by Shao as an outstanding case of making false statistics reports.

The revised law stipulates that all of the statistics reflecting the national economy will no longer be considered authentic except those released by the State Statistics Bureau.

The law also imposes a ban on statistics gathering by governmental and non-governmental bodies for the purpose of achieving economic results but at the expense of exposing State secrets and hurting consumers' interests.

The government will soon work out implementation regulations and rules of the revised law to put them, together with the amendments, into effect, the bureau's official said.

Regarding the increasing number of various consulting businesses in the country, the government will also formulate as soon as possible a regulation to guide the development of nongovernmental statistical companies.

Shao noted that officials of his bureau should also consider the interests of the units they survey and help maintain their patrons' commercial secrecy as being stressed in the newly revised law.

Individuals and institutions are also being encouraged, and will get financial incentives, from the legal executive bodies if they actively report activities in making false statistics they have found, he added.

PRC: Presidential Decree on Vocational Education Law

OW2805014396 Beijing XINHUA Domestic Service in Chinese 2059 GMT 16 May 96

[FBIS Translated Text] Beijing, 17 May (XINHUA) — The 69th PRC Presidential Decree.

The "PRC Vocational Education Law" adopted by the 19th Session of the PRC Eighth National People's Congress Standing Committee on 15 May 1996, is hereby published for implementation beginning 1 September 1996.

[signed] PRC President Jiang Zemin

[dated] 15 May 1996

PRC: NPC Amends Laws on Statistics, Water Pollution Control

OW1905062096 Beijing XINHUA Domestic Service in Chinese 0944 GMT 15 May 96

[By Reporters Wang Jinfu (3076 6855 4395) and Liu Siyang (0491 1835 2254)]

[FBIS Translated Text] Beijing, 15 May (XINHUA) — The 19th Session of the Eighth National People's Congress [NPC] Standing Committee adopted today the decisions of the NPC Standing Committee on revisions of the Law on Statistics and the Law on Prevention and Control of Water Pollution. President Jiang Zemin signed Presidential Decrees No. 65 and No. 66, promulgating the respective decisions of the NPC Standing Committee.

The revised Statistics Law contains 34 articles in six chapters — general provisions, statistical survey plans and statistical system, management and promulgation of statistical data, statistical institutions and personnel, legal responsibility, and supplementary provisions.

To ensure accuracy and truthfulness of statistical data, the revised Statistics Law contain additional stipulations in many aspects. It emphasizes that the state shall strengthen efforts in scientific research on statistical indicator system, constant improve statistical survey methods, and raise the scientific level and truthfulness of statistics. On people who distort statistical data, falsify data, or obtain honorary titles, material rewards, or promotion by cheating, the Statistics Law stipulates that the agencies that made the relevant decisions, their higher-level organizations or the supervisory organizations shall cancel the honorary titles, recover the material rewards, and revoke the promotions.

The revised Law on Prevention and Control of Water Pollution has 62 articles in seven chapters — general supervision, formulation of the water environment

quality standards and the pollutant emission standards, supervision and management of water pollution prevention, prevention of surface water pollution, prevention of ground water pollution, legal responsibility, and supplementary provisions. The Law contains the following stipulations concerning protection of daily drinking water: People's governments at and above the provincial level may, according to law, demarcate surface drinking water source protection areas. In case of an emergency that the drinking water source is seriously polluted, threatening the safety of water supply, the environmental protection department should report the pollution to the people's government of the same level and seek the latter's approval to take compulsory measures to deal with the emergency, which include ordering the enterprises and institutions concerned to reduce or stop discharging pollutants.

The Law also stipulates: The state shall implement an elimination system to deal with backward production techniques and equipment that cause serious pollution in water environment; and ban the establishment of small enterprises that engage in manufacturing chemical pulps, dyestuff or pesticide, printing and dyeing, electroplating, oil refining, or tanning, but do not adopt any water pollution prevention measures, as well as other enterprises that cause serious water environment pollution. Enterprises or institutions that cause serious water pollution shall be required to remedy the problem within a prescribed time. If they fail to do so, they may be fined for the harms or losses caused by them, or be ordered to suspend operation or close themselves down, in addition to paying an above-norm pollution emission fee more than doubling the regular amount.

PRC: Jiang Zemin Signs Decree Amending Statistics Law

OW1905121096 Beijing XINHUA Domestic Service
in Chinese 1232 GMT 15 May 96

[FBIS Translated Text] Beijing, 15 May (XINHUA) — The PRC President hereby issues Decree No. 65, promulgating the "National People's Congress [NPC] Standing Committee's Decision on Amending the 'PRC Statistics Law'," adopted by the 19th Session of the Eighth NPC Standing Committee on 15 May 1996. The decision is effective immediately.

[signed] PRC President Jiang Zemin

[dated] 15 May 1996

PRC: Official Discusses Amended Statistical Law
OW2305120096 Beijing XINHUA Domestic Service
in Chinese 0922 GMT 22 May 96

[By reporter Sun Jie (1327 2638)]

[FBIS Translated Text] Beijing, 22 May (XINHUA) — State Statistical Bureau Director Zhang Sai said in Beijing today the recently amended "Statistical Law" will mete out punishment to those who practice fraud in compiling statistics.

Zhang Sai made the remarks at a news conference held by the State Statistical Bureau today. On 15 May, the 19th Meeting of the Eighth National People's Congress Standing Committee examined and approved a decision to amend the "Statistical Law." The amended "Statistical Law" contains six chapters and 34 articles. Relatively conspicuous among them are additional articles on guaranteeing the quality of statistical data, standardizing statistical activities, and punishing those who compile statistics in violation of the law.

According to a briefing, the amended "Statistical Law" provides measures designed to put an end to leaders' tampering with statistical material and compiling false data, and protect statistical organs' and personnel's doing their duties in accordance with the law, and stipulates appropriate legal responsibility that ought to be taken by the main body [zhu ti 0031 7555] conducting illegal statistical activities. All these measures and stipulations are directed against the situation of "using data to seek personal gains" and "abusing power to falsify data" by leaders of some areas, departments, and units and the resultant seriously false statistics.

Zhang Sai said the amendment of the "Statistical Law" is an important measure taken by China to strengthen the statistical legal system and promote development of the statistical work. An important task facing us now is to guarantee the amended "Statistical Law" can be conscientiously enforced. In addition to conducting widespread propaganda of the "Statistical Law," we must earnestly do a good job in inspecting enforcement of the statistical law, strengthen legal supervision over statistical work, and resolutely investigate and punish those who are found to have seriously violated the statistical law.

He added: It is necessary to pay close attention to formulating and revising statistical rules and regulations that complement the amended "Statistical Law," and improve and perfect a system of statistical rules and regulations. While paying close attention to formulating and revising the "Detailed Rules and Regulations on the Enforcement of the Statistical Law," we must pay close attention to formulating and revising local statistical

rules and regulations as well as statistical rules for various departments.

At today's news conference, State Statistical Bureau Deputy Director Shao Zongming gave a briefing on the important significance and substance of amendments to the "Statistical Law." Persons in charge of the State Statistical Bureau, including Zhang Sai, also answered questions raised by Chinese and foreign reporters.

PRC: Presidential Decree Promulgates Law on Lawyers

OW1905090296 Beijing XINHUA Domestic Service in Chinese 0041 GMT 16 May 96

["Text of Presidential Decree No. 67" — XINHUA headline]

[FBIS Translated Text] Beijing, 16 May (XINHUA) — Presidential decree No. 67

The "People's Republic of China Lawyers' Law" passed by the 19th meeting of the Eighth National People's Congress Standing Committee on 15 May 1996 is hereby promulgated. It will go into effect on 1 January 1997.

[signed] People's Republic of China President Jiang Zemin

[dated] 15 May 1996

PRC: 'Roundup' Views 1st Law on Nation's Legal System

OW2705114996 Beijing XINHUA in English 1108 GMT 27 May 96

["Roundup: China Stressing Lawyers' Role by Law" — XINHUA headline]

[FBIS Transcribed Text] Beijing, May 27 (XINHUA) — Chinese lawyers are expecting more social prominence and legal protection following the passing of the country's first law on the country's legal system.

The new law was passed recently at the Standing Committee of the Eighth National People's Congress (NPC), China's legislature.

It is widely recognized that the eight-chapter law, which is based on the 17-year implementation of Temporal Regulations on Lawyers, has shown China's determination to complete its legal system by giving a boost to the legal service sector.

The temporal regulations were formulated by the NPC in 1980, one year after China's readoption of lawyers in its judicial system following a 20-year break.

With the rapid growth of legal service markets, however, the regulations have become increasingly outdated and the need for a better and more complete law on lawyers was seen as urgent.

Among several draft laws passed by the 19th session of the NPC Standing Committee, the law on lawyers was the only one to get a full vote.

Asked about the new law, a Beijing lawyer said that he was most impressed by two major changes.

"Lawyers are no longer defined as 'state law workers', but 'practitioners providing legal services for society', and the law has given lawyers permission to set up law firms in the forms of cooperation or partnerships," he elaborated.

China now has 7,200 law firms, among which more than 5,500 are state-funded, 500 cooperative, and over 1,200 run in partnerships. Scores of law firms named after some individual lawyers have also been approved since 1994.

To ensure the quality of the lawyers, the law stipulated that all applicants for lawyer's qualifications must possess higher education degrees, and all except a few who "are engaged in law research and education and have senior professional titles" must pass a unified national examination given by the state judicial departments.

Some law experts predicted that after the law's implementation, China will give special tests or training to lawyers without college degrees or records of national exams.

Some people held that since the Constitution has clearly guaranteed the personal rights of each citizen, it seems to be unnecessary for the law to include the article that "the personal rights of lawyers in law practices should not be violated."

Responding to this doubt, Zhang Geng, vice-minister of justice, said that this article is of "absolute necessity" in safeguarding the rights of lawyers.

"There have been many serious cases in violation of lawyer's rights across the country," Zhang noted.

Two other major breakthroughs under the new law are stipulations on lawyers' associations and legal assistance. There is only one article in the temporal regulations on lawyers concerning the lawyer's association, which enjoys a whole chapter in the new law.

An official with the Ministry of Justice claimed that it is the first time that legal assistance, a system under which the state pays lawyers fees for poorer citizens in certain kinds of lawsuits, has been written into the law.

He added that his ministry is carrying out this system in major cities across the country, such as Beijing, Shanghai, Guangzhou, Wuhan, Zhengzhou, capital of central China's Henan Province, and Yinchuan, capital of northwest China's Ningxia Hui Nationality Autonomous Region.

The law on lawyers is to come into effect and replace the current temporal regulations on January 1 next year. The NPC, Ministry of Justice, and Chinese legal circles have expressed full confidence in it, saying they believe the new law will greatly help Chinese lawyers and legal service sector to reach maturity.

PRC: Public Security Minister Vows Continued Crime Crackdown

OW2805002196 Beijing ZHONGGUO XINWEN SHE in English 2321 GMT 27 May 96

[FBIS Transcribed Text] 27 May (CNS) — Chinese Public Security Minister, Tao Siju, who had recently accompanied President Jiang Zemin on his African visit, lately inspected how the police actions to stop crimes were being carried out in Zhuhai City, said a source.

Tao urged the local police units to intensify the anti-crime operations - which were masterminded by the Central Government and led by the local governments with the people's participation - to improve law and order throughout the country.

The source also said that Tao had highly praised the efforts of the Guangdong police units who had in the past few months speedily cracked down a number of big cases, including the robbery which took place on the Macao jetfoil as well as the Panyu cash escort van and the Zhongshan bank robberies.

Tao emphasized that police units in other provinces and cities should learn from their Guangdong peers to build up strong, efficient, speedy teams of constables, which were assisted by a reliable intelligence system, updated investigation methods and skills, in order to launch pre-emptive strikes on the criminals before they could react.

PRC: NPC Resolution on Promoting Legal Propaganda, Education

OW2805123396 Beijing XINHUA Domestic Service in Chinese 1559 GMT 15 May 96

[FBIS Translated Text] Beijing, 15 May (XINHUA) — The Resolution of the National People's Congress (NPC) Standing Committee on Continuing to Launch Propaganda on and Education in the Legal System

Adopted at the 19th Meeting of the Eighth NPC Standing Committee on 15 May 1996

It has been 10 years since the launching of the propaganda on and education in the legal system in 1986. This work has played a positive role in improving the whole nation's understanding of law, strengthening the building of socialist democracy and the legal system, and guaranteeing the progress of reform, opening up, and socialist modernization drive. To meet the need for establishing and improving the socialist market economic structure and promoting the fulfillment of the Outline of the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Targets for 2010, the NPC Standing Committee maintains that it is necessary to carry out the third five-year plan for the propaganda on and education in the legal system among citizens from 1996 to 2000. It is necessary to further enhance the legal concept and consciousness of all citizens; constantly improve the quality and ability of cadres at all levels in handling things and exercising administration according to the law; adhere to the principle of abiding by the law, strictly enforcing the law, and firmly making investigation according to the law; and promoting the process of administering the country according to the law and establishing a country of socialist legal system by continuing to deepen the propaganda on and education in the legal system with the Constitution, basic laws, and legal knowledge about the socialist economy as the main contents. To this end, we specifically made the following decisions:

1. All citizens capable of receiving education should take propaganda on and education in the legal system in an effort to learn the Constitution and relevant legal knowledge, so as to know and abide by the law and safeguard the legitimate rights and interests of the state, collectives, and individuals.

2. Leading cadres at all levels, particularly high-ranking leading cadres, should take the lead in studying the Constitution and legal knowledge, set an example of abiding by the Constitution and law, strictly go by the law at work, and make decisions and exercise administration according to the law.

Cadres' schools of various types and at various levels should list education in legal system as a required course for cadres. In conducting tests and assessments of cadres, all departments and localities should attach great importance to the considerations of whether or not they have acquired the necessary legal knowledge and whether or not they can strictly go by the law at work.

3. Law-enforcing personnel of judicial organs and administrative law-enforcement organs should, according to the needs in their work, participate in training for learning legal knowledge, grasp and make use of laws and regulations related to their own jobs, improve their

own understanding of laws, fulfill their duties and conduct administration according to the law, and be fair in judicial work.

4. Managing personnel of enterprises and establishments should grasp legal knowledge about the socialist economy, make it a prerequisite for their jobs, study relevant laws and regulations in light of the realities in their respective units, strictly abide by the law in operation and management, and consciously observe the market order and safeguard public interests.

5. Youngsters should acquire necessary legal knowledge. Courses on the legal system should be opened at universities, colleges, middle schools (including secondary technical schools), and primary schools. Grass-roots organizations should pay proper attention to conducting education in legal knowledge among youngsters.

6. Pertaining to the characteristics of different objects, lively and vivid propaganda on and education in the legal system should be conducted in various forms for receiving more practical effects. Units in charge of culture, journalism, publication, broadcast, television, and films should fully play the important role of the mass media and vigorously and actively conduct propaganda on and education in the legal system.

7. Propaganda on and education in the legal system should be firmly integrated with the practice of the legal system and the realities of economic construction and social development, so as to bring management of all undertakings into conformity with legal provisions. We should persist in proceeding from the high consciousness of administering the state according to the law and vigorously promote the administration of villages, towns, counties, cities, provinces, professions, and departments according to the law.

8. It is the common responsibility of the entire society to implement the third five-year plan for launching propaganda on and education in the legal system among citizens and to continue to deepen the propaganda on and education in the legal system. It must be accomplished by mobilizing and relying on the strength of the whole society and under the leadership of the CPC. All state organs, armed forces, political parties, social organizations, enterprises and establishments should conscientiously conduct propaganda on and education in the legal system among citizens in their respective sectors and units. People's congress standing committees and people's governments at various levels should strengthen their leadership and supervision over the implementation of the plan and this resolution, take forceful measures to make this work gradually become a part of the law and within the framework of a system, bring about

a social practice of studying and applying the law and working according to the law, and create a good legal environment for reform, opening up, and the cause of socialist modernization drive.

PRC: CPC Politburo Meeting To Discuss Taiwan, Economic Issues

OW2705120096 Hong Kong SING TAO JIH PAO
in Chinese 27 May 96 p A2

[Article by Kuang Tongzhou (6782 0681 5297): "Political Bureau To Hold Enlarged Meeting This Week To Adjust Taiwan Policy, Review Economic Policy"]

[FBIS Translated Text] It is reported that the CPC Central Committee Political Bureau will hold an enlarged meeting at Beidaihe this week. The meeting will discuss new Taiwan policy and economic issues.

Members of the CPC Central Committee Leading Group for Taiwan Affairs, leaders of the Central Military Commission, and officials from relevant economic departments will attend the meeting.

Sources in Beijing said that since Taiwan President Li Teng-hui delivered his inaugural speech on 20 May, the speech has been studied within the mainland government and has drawn differing opinions. Some hold the view that since Li's speech has a moderate tone and conveys a conciliatory gesture toward the mainland, the two sides of the Taiwan Strait are likely to move toward reconciliation and exchanges. Others hold the view that Li's speech shows no change in Taiwan's basic stand on the mainland and indicates its intention to continue pursuing pragmatic diplomacy and promoting "two China's." To safeguard China's sovereignty, therefore, it is necessary to continue the struggle against Taiwan independence over the long term and to adopt a hard-line policy toward Taiwan.

After Li Teng-hui delivered his inaugural speech, the State Council's Taiwan Affairs Office, the Association for Relations Across the Taiwan Strait, and the People's Liberation Army's Taiwan-related departments invited experts and scholars to a seminar to interpret Li's speech and make suggestions for discussion at the Political Bureau's enlarged meeting. It is reported that the mainland will make an official response to Li Teng-hui's speech after the meeting. The level at which the response is made will indicate the mainland's attitude. It is reported that economic issues will be another important topic of discussion at the meeting. The meeting will mainly discuss issues related to state-owned enterprises and policies on macroeconomic regulation and control. It is reported that for the first time, state-owned enterprises across the country posted

net losses during the first quarter of this year, and their asset-liability ratio has increased steadily. The amount of "triangular debt" has grown constantly, and so have the rates of unemployment and partial unemployment. These have caused China's top leaders great distress.

Early this year, Shangdong leaders briefed Zhu Rongji on the action taken by some cities in the province: namely, selling 95 percent of the state-owned enterprises and village and town enterprises to employees, who then formed boards of directors and appointed new factory directors and managers. The enterprises generated fairly good returns as a result of this action. After hearing the briefing, Zhu Rongji immediately decided to form a joint investigation group, to be composed of leaders of nine ministries and commissions. The group was sent to the cities, where it used 10 days' time to check their financial accounts and evaluate their returns. The achievements of the enterprises were affirmed. At the upcoming meeting, top CPC leaders are expected to discuss the idea of reforming state-owned enterprises by "paying special attention to large enterprises and giving free scope to small ones."

Macroeconomic issues, such as adjusting policies on macroeconomic regulation and control and keeping inflation under control, will also be discussed at the upcoming meeting.

PRC: NPC Amends Water Pollution Law

OW2805132796 Beijing XINHUA Domestic Service
in Chinese 1301 GMT 15 May 96

["Decision of the Standing Committee of the National People's Congress (NPC) on Revising the Law of the PRC on the Prevention and Treatment of Water Pollution, adopted at the 19th NPC Standing Committee meeting on 15 May 1996"]

[FBIS Translated Text] Beijing, 15 May (XINHUA) — The 19th meeting of the Eighth NPC Standing Committee has decided to make the following amendments to the Law of the PRC on the Prevention and Treatment of Water Pollution:

1. Section 2 of Article 7 is amended to read: "Where no national standards have been set for the discharge of water-polluting materials, the people's governments of the provinces, autonomous regions, and municipalities directly under the central government may formulate a local standard for the discharge of water-polluting materials; where national standards have been set for the discharge of water-polluting materials, they may set local standards stricter than the national standards. Local standards for the discharge of water-polluting materials must be reported to the State Council Environmental Protection Department for the record."

2. A new article is added as Article 10: "The prevention and treatment of water pollution shall be planned in a unified way according to river basins or regions. Water pollution prevention and treatment plans for important river basins decided by the state shall be drawn up by the State Council's environmental protection department in cooperation with the planning department, water conservancy administrative department, and the people's governments of the relevant provinces, autonomous regions, and municipalities directly under the central government, and then reported to the State Council for approval.

"Water pollution prevention and treatment plans for river basins that stretch to other provinces or counties shall be drawn up by the environmental protection departments of people's governments at and above the provincial levels in cooperation with water conservancy administrative departments and other relevant departments and other relevant local people's governments in accordance with the water pollution prevention and treatment plans for important river basins decided by the state and in light of local conditions, and then reported to the State Council or a provincial-level people's government for approval. Other water pollution prevention and treatment plans for other river basins that stretch to other counties but not to other provinces shall be reported by the people's government of the relevant province to the State Council for the record.

"As approved water pollution prevention and treatment plans are the foundation for preventing and treating water pollution, their revisions must be approved by the original department that has approved the plans.

"Local people's governments at and above the county levels shall organize the drawing of water pollution prevention and treatment plans under their jurisdiction in accordance with the water pollution prevention and treatment plans approved according to law, and include them in the medium- and long-term and annual plans for economic and social development in their respective administrative regions."

3. Section 3 of Article 13 is amended to read: "Water pollution prevention and treatment facilities of construction projects must be designed, built, and put into operation simultaneously with the main projects. Water pollution prevention and treatment facilities must be inspected by an environmental protection department, and those that fail to meet the set requirements shall not be allowed to go into production or operation."

A new section is added as Section 4: "The opinions of the residents and the unit in the area where a construction project is to be built shall be included in the environmental impact report."

4. Section 2 of Article 14 is amended to read: "When a major change has taken place in the types, quantity, and concentration of water-polluting materials discharged by a discharging unit, as stipulated in the former section, the matter shall be reported promptly; normal operation of the unit's water-polluting materials treatment facility must be maintained. Permission must be obtained in advance from the local people's governments at and above the county levels in the area where the unit is located when its water-polluting materials treatment facility is to be dismantled or idled."

5. The words "and be responsible for prevention and treatment" are deleted in Article 15. Two sections are added as Section 2 and Section 3: "Pollution discharge expenses and above-norm pollution discharge expenses must be used for the prevention and treatment of pollution and must not be diverted to use for other purposes."

"Enterprises and institutions that discharge pollution exceeding the set standard must draw up a plan to control pollution. They shall report their plans to the environmental protection departments of the local people's governments at and above the county levels for the record."

6. A new article is added as Article 16: "Where the target of water pollutants discharged into bodies of water fails to reach the national standards for the quality of the water environment, people's governments at and above the provincial level may enforce the system of controlling the total discharge of key pollutants, and the system of checking pollutants discharged by enterprises that are tasked to reduce the volume of pollutants. Specific procedures are to be drawn up by the State Council."

7. A new article is added as Article 17: "The State Council's environmental protection department, together with the State Council's water conservancy administrative department and relevant provincial-level people's governments, may set the standards for the quality of water environment of bodies of water in major river valleys between provinces in light of the utilization and functions of bodies of water in state-designated major river valleys and the economic and technological conditions of areas involved; and enforce the standards after submitting them to the State Council for approval."

8. A new article is added as Article 18: "Operating organs for the protection of water resources in state-designated major river basins are responsible for monitoring the quality condition of the water environment of bodies of water in river basins located between provinces, and for reporting the monitoring results to the State Council's environmental protection department

and water conservancy administrative department in a timely way; where there is a leading organ on the protection of water resources authorized by the State Council, the monitoring results should be promptly reported to the leading organ on the protection of water resources."

9. Article 10 is amended to Article 19 and reads: "City sewage should be treated in centralized locations."

"The State Council's relevant departments and local people's governments at various levels must incorporate the protection of water sources and the prevention and treatment of water pollution in cities into urban construction plans, construct and improve city drainage pipeline networks, systematically construct centralized sewage treatment facilities in cities, and strengthen comprehensive management and improvement of the water environment in cities."

"Pursuant to the state regulations, centralized sewage treatment facilities in cities provide paid service in sewage treatment and collect sewage treatment expenses from sewage users to ensure the normal operation of the centralized sewage treatment facilities. Those who pay sewage treatment expenses to centralized city sewage treatment facilities for discharging waste water are no longer required to pay pollution discharge expenses. Expenses collected for sewage treatment must not be diverted to other purposes, but be used for the construction and operation of centralized sewage treatment facilities in cities."

"Specific procedures for collecting sewage treatment expenses and managing and using centralized sewage treatment facilities in cities are to be drawn up by the State Council."

10. A new article is added as Article 20: "People's governments at and above the provincial level, by law, may designate surface water conservation areas for drinking water. Surface water conservation areas for drinking water are divided into first-grade conservation areas and conservation areas of other grades. Lands and waters within certain boundaries in the vicinity of drinking water outlets of surface water may be designated as first-grade conservation areas. Conservation areas of other grades within certain boundaries may be designated in lands and waters outside first-grade conservation areas. Conservation areas of all grades must have clearly defined boundaries."

"The discharge of waste water in first-grade surface water conservation areas is prohibited."

"Tourism, swimming, and other activities that may pollute bodies of water that provide drinking water in first-grade surface water conservation areas are prohibited."

"Construction and expansion of projects not related to water supply facilities nor the protection of water sources in first-grade surface water conservation areas is prohibited.

"People's governments at and above the county level, within the jurisdiction authorized by the State Council, shall instruct the removal or shall set a time limit for the removal of waste discharge outlets already built in first-grade surface water conservation areas.

"Conservation of underground water for drinking should be strengthened. Specific procedures for conserving underground water for drinking are to be drawn up by the State Council."

The term "water sources for drinking water" in Article 12 is to be deleted.

11. A new article is added as Article 22: "Enterprises should adopt clean production technologies with a high utilization ratio of raw and semi-finished materials and low discharge of pollutants; and should strengthen the management to minimize the creation of water pollutants.

"The state implements the system of eliminating backward production technologies and equipment that seriously pollute the water environment.

"The department in charge of comprehensive economic management, together with other relevant departments of the State Council, shall publish the list of technologies that seriously pollute the water environment and that shall be eliminated within a specific time; and shall set a time limit for stopping the manufacturing, marketing, importing, and use of the list of equipment that seriously pollute the water environment.

"Manufacturers, sellers, importers, and users must stop the manufacturing, marketing, importing, and use of the list of equipment prescribed in the preceding paragraph within a specific time set by the department in charge of comprehensive economic management together with other relevant State Council departments. Users of production technologies must stop using the list of technologies prescribed in the preceding paragraph within a specific time set by the department in charge of comprehensive economic management together with other relevant State Council departments.

"Equipment eliminated in accordance with the provisions in the preceding two paragraphs should not be transferred to be used by others."

12. A new article is added as Article 23: "The state prohibits the construction of new small chemical paper making, printing and dyeing, dyes, tannery, electroplating, oil refinery, pesticides, and other enterprises that

have no water pollution prevention and treatment measures and that can seriously pollute the water environment."

13. A new article is added as Article 26: "Disputes over water pollution involving other administrative regions shall be settled through discussion by local people's governments concerned; or through coordination by the common people's government at a higher level."

14. Article 20 is amended as Article 28 with an added second paragraph that reads: "Where an accident pollutes fishing waters, it is necessary to accept investigation and handling by the fishery supervisory and administrative organ."

15. A new article is added as Article 39: "Agricultural administrative departments and other relevant departments of local people's governments at and above the county level should provide guidance in scientific and reasonable application of chemical fertilizers and pesticides to agricultural producers to curb excessive use of chemical fertilizers and pesticides and to prevent water pollution."

16. A new article is added as Article 47: "Where, in violation of the provisions of paragraph three of Article 13 of this law, a construction project is put into production or operation before its water pollution prevention and treatment facilities are completed or before such facilities meet the state requirements, the environmental protection department, which has approved the construction project's environmental impact report, shall order the suspension of production or operation and impose a fine on the project."

The second paragraph of Article 37 is deleted.

17. A new article is added as Article 48: "Where a waste-discharging unit deliberately fails to use the water pollutant treatment facility regularly, or dismantles and lays idle the facility without the environmental protection department's approval, thus discharging pollutants exceeding the standard stipulated in the provisions of paragraph two of Article 14 of this law, the environmental protection department of a local people's government at or above the county level shall order the waste-discharging unit to resume the regular use or set a specific time for reinstalling the facilities, and shall impose a fine on the unit."

18. A new article is added as Article 49: "Where a new construction or expansion project not related to water supply facilities nor the protection of water sources is carried out in first-grade surface water conservation areas for drinking water in violation of the provision of paragraph four of Article 20 of this law, the people's government at or above the county level, within the

jurisdiction authorized by the State Council, shall order the suspension of operation or closure of the project."

19. A new article is added as Article 50: "Where equipment prohibited from manufacturing, marketing, importing, and using are manufactured, sold, imported, or used; and technologies prohibited from use are used in violation of the provisions of Article 22 of this law, the department in charge of comprehensive economic management under the people's government at or above the county level shall order the correction of such action; where the degree of violation is serious, the department in charge of comprehensive economic management shall put forth a suggestion and submit it to the people's government at the same level that, within the jurisdiction authorized by the State Council, shall order the suspension of operation and closure."

20. A new article is added as Article 51: "Where small enterprises without water pollution prevention and treatment measures are constructed to seriously pollute the water environment in violation of the provisions of Article 23 of this law, local city or county governments, or people's governments at a higher level shall order closure of the enterprise."

21. Article 39 is amended as Article 53 to read: "Where a waste-discharging unit violates the provisions of this law and causes a water pollution accident, the environmental protection department of local people's government at or above the county level shall impose a fine on the unit in the amount based on damage and losses caused by the unit."

"Where pollution in fishing waters or water is caused by a boat accident, the local fishery supervisory and administrative organ or navigation administrative agency of the communications department shall impose a fine in the amount based on damage and losses caused by the accident."

"Where the degree of pollution caused by an accident is serious, personnel involved shall be given administrative sanctions by the work unit or competent authority at a higher level."

22. A new article is added as Article 58: "Environmental protection supervisory and administrative personnel and other relevant state functionaries who abuse power, commit dereliction of duty, or bend the law for relatives or friends shall be given administrative sanctions by the work unit or competent authority at a higher level; where a crime is committed, the criminal responsibility shall be affixed."

23. A new article is added as Article 59: "The provincial, autonomous regional, and municipal people's congress standing committees shall draw up administrative rules,

based on the provisions of this law, for dealing with serious pollution caused by pollutants discharged from individual units of industry and commerce."

This decision becomes effective on the day of promulgation.

The "Law of the PRC on the Prevention and Treatment of Water Pollution" shall be amended accordingly based on this decision and shall be re-promulgated.

*PRC: Law Professor Views Revised Criminal Procedure Law

96CM0239A Beijing ZHONGGUO QINGNIAN BAO [CHINA YOUTH DAILY] in Chinese 25 Mar 96 p 1

[Article by Han Xuemei (7281 7185 2734), intern, and Yang Xinglong (2799 5281 7893), reporter: "The Guilty Cannot Escape; the Innocent Has Nothing To Fear — Professor Chen Guangzhong (7115 0342 0022) Discusses the Most Important Aspects of the Revised Criminal Procedure Law"]

[FBIS Translated Text] The "Revised Criminal Procedure Law of the PRC (Draft)" was ratified by a fairly wide margin at the Fourth Session of the Eighth National People's Congress. It is praised by some as a "milestone" in the development of China's criminal judicial system. Professor Chen Guangzhong, chairman of China University of Political Science and Law's Criminal Law Research Center and vice president of the Law Society, says such an assessment is not exaggeration.

According to Professor Chen, China's Criminal Procedure Law has been in effect for 16 years, and in the wake of social progress and enriched criminal justice practices, many provisions now need to be supplemented and revised. The Criminal Procedure Law originally had 164 articles; it has been increased to 225 articles. What is even more important is the "quality" improvements. The revised law assimilates modern legal thinking and radically restructures China's criminal procedure system.

Like many others in the legal field, Mr. Chen feels most strongly about the fact that the revised criminal procedure law not only cracks down on crimes more forcefully, but also protects the citizens' legal rights better. This is manifested in its protection of the victim's rights as well as the rights of the accused.

In recent years, the people have been most vocal about "closed legal doors." Some people who had fallen victim to crimes found that they could not file lawsuits and were ignored when they went to the public security office or the procuratorial organ. Sometimes cases were filed, but the accused were never arrested or prosecuted.

When the courts handed down their rulings, light sentences were often meted out for serious crimes or the guilty were not sentenced. Many people complained that these were often due to "money and power changing hands" under the table and other bureaucratic, corrupt, and irresponsible acts. To solve these problems, the new criminal procedure law has set up a new system. Most importantly, it stipulates that if a victim can produce evidence that the accused has committed a crime, criminal prosecution must be pursued, and if a public security or procuratorial organ fails to file or pursue the case, the victim has the right to bring the lawsuit directly to the People's Court. "The People's Court's role as the 'last resort' can properly solve the citizens' 'closed legal door' problem."

The new criminal procedure law also stipulates that the victim may employ a lawyer to represent him in the lawsuit and has the right to request that certain judicial personnel withdraw from the case when appropriate. In this way, the victim's right to sue is better protected than before, and to some extent, it also strengthens the public's supervision of the public security organs.

Professor Chen also believes that whether an accused person has the right, and sufficient right, to defend himself is the touchstone for a country's democratic litigation system. This round of revision of the criminal procedural law has greatly enhanced the rights of the accused.

In the past, some citizens were afraid of "public security." They felt that public security personnel made arrests "arbitrarily." Professor Chen believes that this to a large extent was the flaw of the detention-pending investigation system. This system played a very positive role in cracking down on crimes at one time, but in actual practice, because of the lack of supervision and restraint, there were problems with illegal "detention" of suspects and prolonged "investigations." Some suspects were found innocent and released after the "investigation," but the "detention" organ would not take responsibility. This often led to encroachment of the citizens' right of personal freedom. The new law abolishes the practice of "detention-pending investigation"; suspects of serious crimes who should be confined pending investigation are arrested according to the law following standard procedure. This helps to protect against the encroachment of innocent citizens' legal rights.

In the past, the following situations could happen: After a person was arrested, nobody would know where he was confined; this would drag on for a few or even several months without a court appearance. The criminal procedural law, before it was amended, stipulated that the court had to notify the lawyer for the defense no

less than seven days before the court session. Because of the short notice, the lawyer might not have time to learn more about the case, and in court, he could not properly defend his client. As revised, the new law stipulates that immediately upon his arrest, the accused may apply for legal assistance and hire a lawyer to give him legal advice and represent him during litigation. The lawyer may meet with the arrested man and may ask the public security organ for what crime he is charged. Professor Chen believes that the lawyers' early involvement helps to protect the innocent citizens from prosecution and prevent or reduce false accusations and miscarriage of justice, and it will boost China's human rights image in international circles.

Another change in the law which has attracted much attention is the overhaul of the court procedure.

In the past, because of the flawed system, judges in the Chinese courts often had everything "set" even before the court session opened; or they might even have asked their superiors for instructions, so that "cases were decided first and tried later"; or they were "decided by the higher authorities and tried in court," which were highly irregular. Sometimes the public prosecutors did not show up in court, or they showed up just to read the indictment, so that the prosecution and the defense never faced each other in court. These situations undermined the court's ability to learn the truth and decide on the cases justly and accurately. The revised criminal procedure law abolishes the court's pre-trial, essential investigation in public prosecution cases; most cases will be dealt with directly in open court. It is stipulated that the procurator must appear in court to prosecute and prove the case for all public prosecution cases. The decisive role of the collegiate bench is brought to play in reaching a verdict. In this way, open court trials will be in a litigation mode that gives full play to the roles of the prosecution, the defense, and the judiciary to better ensure fair and correct verdict.

Professor Chen believes that this round of revision of the criminal procedure law assimilates the advanced experiences of foreign legal systems; it not only liberates our thinking, but also takes China's situation into consideration. The successful revision of the criminal procedure law proves the continuous development of democracy and the legal system in China.

Military & Public Security

PRC: Shanghai Court Briefs on Crime Crackdown, Executions

OW2805091896 Shanghai People's Radio Network
in Mandarin 2300 GMT 27 May 96

[By station reporter Zhou Yongjie; from the "990 Morning News" program]

[FBIS Translated Text] On 27 May, the Shanghai Municipal Higher Court held a news conference to disclose to the press the situation of the municipality's courts since the beginning of the campaign to crack down on crimes.

Hu Ruibang, Municipal Higher People's Court president, said that Shanghai's courts at various levels will severely and speedily mete out punishments, according to law on the basis of confirming evidence and on the nature of crimes, to criminal elements who have committed serious crimes. Those who should be severely punished will be severely punished and those who have committed a capital crime but provide no details to assist the courts in exchange for lighter punishment will be resolutely sentenced to death.

It was learned that since the campaign to crack down on crimes began in the municipality on 10 April, the courts of the entire municipality have held a total of 31 meetings, during which judgments on 161 cases involving 250 accused criminals were publicly pronounced.

Yesterday, the No. 1 and No. 2 Municipal Intermediate Courts, together with the Courts of the Xuhui, Changning, and Jiading Districts, separately held meetings to publicly pronounce judgments, at which several thousand people attended. Gong Haixing, intended murderer and robber, and Yan Hua, intended murderer, were taken to the execution ground and executed.

PRC: Commentator's Article on Crackdown on Crime

SK2605095496 Lanzhou GANSU RIBAO in Chinese
8 May 96 p 1

[GANSU RIBAO commentator's article: "Make Persistent Efforts to Hotly Pursue and Fiercely Attack Criminals"]

[FBIS Translated Text] For the past few days, top party and government leaders at all levels in the province have gone deep into the frontline of the "crackdown on crime" to personally supervise and command the crackdown. Meanwhile, more than 100,000 cadres and policemen of public security, judicial, and procuratorial organs, as well as armed officers and soldiers, security cadres, and

public security activists in the province have voluntarily participated in the crackdown in a coordinated manner. Under the swift and fierce crackdown, a number of major criminal cases and long-standing cases have been cracked rapidly, and a large number of criminal offenders who seriously jeopardized social order have been caught one after another. On seeing the results of the crackdown, the vast numbers of people clapped their hands with joy. So, we extend lofty respect and cordial solicitude to all the public security cadres and militiamen, the armed police officers and soldiers, the security cadres, and the public security activists who have been fighting in the frontline of the "crackdown!"

In line with the disposition of the central authorities, the "crackdown" is primarily targeted at cracking major cases, pursuing escaped criminals, and attacking criminal gangs. To judge the results of the "crackdown," we should mainly see how many major cases that have been accumulated in the past few years have now been cracked, how many principal escaped criminals have been seized, how many criminal gangs that have caused grave harm to society and the people have been smashed, and then whether the people's sense of security has been enhanced. The initial results achieved in this campaign make us happy. However, we should also clearly notice that many deeply hidden severe criminal offenders have not yet been ferreted out, the bad social order in some localities has not yet been reversed, and criminals in some localities still commit crimes despite the crackdown. Therefore, we should continue to adopt resolute measures to hotly pursue and fiercely attack criminals in order to eliminate the arrogance of criminals, resolutely check the upward trend of major criminal offenses, and enable the vast numbers of the masses to truly feel the remarkable improvement in social order and public security. To this end, party and government leaders at all levels should never have the slightest degree of negligence and slackness in dealing blows to crime and should meticulously organize and guide the "crackdown" with the spirit of being highly responsible for the party and the masses. Public security, procuratorial, and judicial organs should each perform their own duties, closely coordinate with each other, and strive to arrest, prosecute, and try major criminals as soon as possible. In addition, some typical cases should be selected for timely open trials with a view to building up momentum.

The "crackdown on crime" represents a specific measure to implement the major policy decisions of the CPC Central Committee, as well as an objective demand for resolving current public security problems. Hence, it is of extremely important political significance. We believe that an all-round victory will certainly be won

in this crackdown through the leadership of all levels of party committees and through the joint efforts of cadres and policemen of all judicial, procuratorial, and public security departments, as well as the vast numbers of the people.

PRC: One Million Illicit Guns Said Seized Over Last 5 Years

HK2905091596 Hong Kong MING PAO in Chinese
29 May 96 p A14

["Special report": "China Has Seized 1 Million Illicit Guns Over Last Five Years"]

[PTS Translated Text for FBIS] Over the last five years, police in all localities across China have seized about 1 million of all kinds of illicit guns. A number of units designated by the state to manufacture guns have put profits above everything else and produced and sold more guns than planned without authorization. This, among other reasons, has caused the availability of the illicit guns among civilians. In light of the violence committed by armed criminals and the illegal manufacture and sale of guns, the department concerned is stepping up the deliberation of China's first "Gun Control Law" and is planning to put it into force within the year, ahead of schedule, to strengthen control of guns according to law and to stipulate severe punishments with the death sentence being the maximum punishment.

The law was prompted by the fact that a large number of guns have found their way into civilian hands over the last few years, imposing a considerable threat on people's lives and property. Many criminals and criminal gangs have been able to possess a large number of guns through purchasing, illegal manufacturing, and stealing with the result that there has been a sharp increase in armed robberies.

According to the statistics, nationwide, serious offenses committed by armed criminals in 1994 increased by 26 percent over 1993, while the figure for the first three quarters of 1995 was 24 percent higher than the same period of 1994. Since the beginning of this year, the number of serious armed robberies, kidnappings, and murders has notably increased.

Since 1991, China's public security organs have conducted many operations to check the circulation and stop the source of illicit guns and to seize and ban illicit guns, and have cracked down on the illegal manufacture and the sale of guns as well as the smuggling and sale of guns and ammunition in the border areas. As disclosed by incomplete statistics, police in various localities throughout the country have seized about 1 million illicit guns over the last five years, with most of

them being power, modified, steel ball, tear, anesthetic, and electric rifles and a few military guns.

From April, when the "campaign to deal harsh blows to criminals" was launched, to mid-May this year, a number of major cases of manufacture and sale of guns were unearthed in Inner Mongolia, Qinghai, Sichuan, Hebei, and Fujian; over 8,000 illicit rifles were each seized in Liaoning, Shandong, and Heilongjiang; over 3,000 in Hebei, Hubei, and Shanxi; and 1,300 in the cities of Chongqing and Chengdu. The Supreme People's Court recently approved the verdicts passed by Guangdong and Fujian on two cases of smuggling 2,000 rifles and 60,000 rounds of ammunition, with the four prime culprits being sentenced to death.

A Beijing authoritative source pointed out that the main reason for the sharp increase in armed crimes was that some people, driven by economic interest, smuggled, manufactured, and sold firearms. Yunnan and Guangxi, which are located in the border area, remain two localities where the largest number of guns are smuggled and sold. Statistics show that Yunnan and Guangxi cracked 156 cases of guns sold across the border in 1994, seizing 500 military guns and 380,000 rounds of cartridges. In 1995, the frontier corps of Yunnan and Guangxi unearthed a total of 134 cases of gun selling, seizing 800 smuggled military guns and 1.7 million rounds of bullets. In the meantime, a number of individuals and groups in Yunnan and Guangxi also manufactured and modified rifles on a large scale, and the police in the two places smashed a total of 2,200 units manufacturing and selling guns illegally. Also, a number of units authorized by the state to manufacture guns, to gain economic interest, also manufactured and sold more guns than planned, leading to an increase in illicit guns in civilian hands.

ZHONGGUO TONGXUN SHE quoted Mou Xincheng, vice minister of public security, as saying that a new gun control law drafted by the Public Security Ministry in 1994 has been passed by the State Council routine session and has been submitted to the National People's Congress Standing Committee for deliberation, adding that the law will be promulgated soon. A source said the draft "Gun Control Law" contains eight chapters and 51 clauses. The draft law stipulates: a complete set of systems governing the manufacture, sale quota, and ban on guns; annual examination of civilian rifles and certificates for possessing guns; and a series of systems governing storage, transport, and entry and exit, of guns. In addition the draft law lists over 20 offenses and defines harsh punishment for the offenses, with death penalty being the maximum punishment.

PRC: Profits of Gun Trade Cause Worsening Crime
OW2905092696 Hong Kong AFP in English
0912 GMT 29 May 96

[FBIS Transcribed Text] Beijing, May 29 (AFP) — The rising number of gun-related crimes in the Chinese capital results from illegal production of firearms by companies seeking high profits from the lucrative trade, a report said Wednesday [29 May].

The Beijing Youth Daily said that before China launched its economic reforms in 1979, private ownership of guns was almost unheard of, adding that, even as late as 1992, there were only five related criminal cases in Beijing.

"But in recent years, the situation has steadily worsened," the report said.

One key factor in the proliferation of guns is that many state-run arms factories, suffering from capital shortages and the lack of competitiveness of their out-dated goods, have switched to the illegal production of all kinds of small firearms, it said.

The country's opening up to the outside world has also contributed to the gun plague, with a surge in the trafficking of arms into China, it added.

The big profits to be made in the sector has also attracted many individuals to establish private operations engaged in both the manufacturing and smuggling of guns.

The report also cited lax supervision of certain government departments that has resulted in the theft and loss of many guns, while individuals with firearms certificates often lend their weapons to others.

The report said Beijing authorities had scored a number of successes in their ongoing crackdown on illegal gun ownership, part of a major nationwide campaign to tackle worsening crime.

Earlier this month, the country's first law on firearms was submitted to a meeting of the national parliament's standing committee for deliberation.

The law authorizes the death penalty for the illegal production and trading of firearms.

PRC: Article Views Taiwan Vulnerabilities, PLA Attack Strategies

HK2405071096 Hong Kong KUANG CHIAO CHING in Chinese 16 Apr 96 No 283, pp 14-19

[Article by Yuan Lin (5913 2651): "The Taiwan Strait Is No Longer a Natural Barrier — PLA Strategies for Attacking Taiwan"]

[PTS Translated Text for FBIS] **Military Exercises of the Three Services Conducted by the Nanjing Theater**

Between 18 and 25 March, joint military exercises of the three armed forces were conducted by the Nanjing Theater in the Taiwan Strait. The exercises, from taking control of the sea and air to swiftly carry out landing and crossing, from the armored units fighting to take control of the beaches and islands to vertical landing by paratroopers and airborne units, from multi-level firepower attacks to breakthrough from different routes, from the penetration and separation of enemy forces by air, sea, and land forces to attacks in depth and beyond the target, all showed magnificent scenes of the three services joining forces in crossing the strait, landing on the island, and attacking the hilly areas. What are the military implications of the three waves of military exercise?

Is Taiwan Still an "Unsinkable Aircraft Carrier?"

Taiwan has been described as an "Unsinkable Aircraft Carrier" by the West. Some people within the Taiwan military see the Taiwan Strait as a natural barrier.

Taiwan Strait Is No Longer a Barrier

For a long time, the vast expanse of the Taiwan Strait was Taiwan's most important screen. However, as things stand today, the calmness of the strait makes crossing easy. Taiwan's smooth and solid shores, particularly the beaches and shallows on the western coast, make easy targets for beach assaults. Taiwan's shallow and narrow military ports also can easily be blockaded by mines. With modern military technology, sea, air, and land forces and missiles can easily reach Taiwan. The Taiwan Strait is no longer an insurmountable barrier.

Mainland Missiles Are Capable of Destroying All Airports in Taiwan

Advances in military technology have brought about fundamental changes in the situation. For example, several decades ago the PLA simply did not have any sea or air force. The old wooden sailboats of the Chinese Communists could do nothing in the face of the vast

stretch of the Taiwan Strait. Today, their strong Air Force supersonic fighters can fly across the mid-point line and reach Taipei in two minutes.

Several decades ago, the PLA weapons with the longest firing range were guns captured from the Kuomintang. With their limited firing range, they could not even cover Jiamen, which is only several thousand meters away, to say nothing of Taiwan Island itself. Today, the huge surface-to-surface missiles of the Second Artillery can accurately hit any airfield on the other side of the strait. China has sophisticated weapons and scatterable mines especially for destroying airfields, and these have been openly sold overseas since the early 1990's. If the need arises, it will not be difficult for the mainland to destroy all of Taiwan's airfields. Mainland China produced many "HQ-2" interceptor missiles in the past, but these have since become outmoded. However, these "HQ-2" missiles can be converted to excellent short-range surface-to-surface missiles by replacing the control software. Reports have it that the mainland has already converted "HQ-2" to "M-7" tactical surface-to-surface missiles. If this is the case, these "HQ-2" missiles alone can effectively subjugate Taiwan's airfields and air defense positions. Since these missiles are outmoded and have been decommissioned in any case, the cost is extremely low.

Lacking a Safe Rear Area

Taiwan has a total area of 36,000 square kilometers. It measures 394 kilometers from north to south and 144 kilometers from east to west. Its long and narrow shape is not conducive to defense. About two-thirds of the island is mountainous, and almost all inhabitants and military bases are concentrated on the plains and undulating hills. The great density of the population makes it difficult for Taiwan to deploy and move its army in times of war. Moreover, the plains and the surface forces are separated by the island's 152 rivers, so that each unit can only fight on its own and cannot support each other as a joint force, thereby greatly reducing the island's defensive capability. Thus, units of the Taiwan Army can easily be crushed one by one by small invading units. The plains on the western part of Taiwan are no more than 32 kilometers wide at the widest point. These plains are within the firing range of naval guns. They have no defensive depth and no safe rear area.

In the event of a modern war, Taiwan will have no room for maneuver and will have difficulty organizing strong and effective defense. Taiwan is isolated in the ocean and is without direct routes by which external assistance can be received. The shortage of supplies will thus make it difficult for Taiwan to hold out for extended periods.

Taiwan's Air Force has eight major military airfields: Taoyuan, Hsinchu, Chiayi, Kungkuan, Tainan, Pingtung, Taitung, and Hualien. These airfields are all well-equipped and have aircraft bunkers. However, most of them are located near the coast, some less than five kilometers from the sea. They do not have any defensive depth and are open to mainland attacks.

Mainland Aircraft Can Intrude Into Taipei's Airspace in Two Minutes

Taiwan faces the Pacific Ocean in the east and is separated from Fujian in the west by the Taiwan Strait. It is only 130 kilometers from Fujian at the closest point, and all its major military bases and cities are less than 300 kilometers from the mainland.

Since Taiwan is close to the mainland, Model 25 speedboats of the mainland Navy can cross the strait and reach Taiwan in just over one hour. Su-27 and F-8 warplanes from the mainland can cross the mid-point line of the strait and intrude into Taipei's airspace in two minutes.

Taiwan is also frequently hit by storms and rain, especially typhoons. Every time a typhoon hits the island, the three armed forces must put away their weapons as a precautionary measure. Taiwan's armed forces will find themselves in a very unenviable position should anything happen during typhoon season, for there is nothing they can do before and after typhoons.

How To Gain Control of the Air and the Sea?

For a long time, the authorities in Taiwan have upheld the following theory: The Chinese Communists have no way of gaining air control over Taiwan, and they cannot gain control of the sea unless they have control of the air. Moreover, they must have control of the sea before they can take control of the beaches and land their forces in Taiwan. The Taiwan military also maintains that the Chinese Communists do not have sufficient facilities to ferry their troops across the strait and can only make a crossing with 30,000 troops at the most. It believes that Chinese warships would all be wiped out by Kuomintang troops while crossing the strait.

The Taiwan military also maintains that Taiwan's airspace only has room for 400 warplanes at any one time, or 200 from each side. It believes that mainland warplanes will be crushed by Taiwan's warplanes and air defense missiles and will be forced to abandon their "aggression" and retreat to the mainland.

But this is only wishful thinking. Should war really break out, the Central Military Commission [CMC] of the CPC would certainly make careful deployments by

coordinating inside and outside forces and making all necessary preparations. How can the mode of combat be so simple as they think? Liu Huaqing, Zhang Zhen, Zhang Wannian, Chi Haotian, and other CMC leaders are battle-seasoned veterans. Who can force the Chinese commanders to fight according to the "Taiwan model?" Who can tell the Chinese Communists not to make a preemptive strike with missiles and then attack with combined air, sea, and land forces? Who is to say that the Chinese Communist Air Force can only dispatch 200 planes on each strike? Who is to say that the Chinese Communists can only land on Taiwan after establishing control of the air and sea? Who is so ignorant as to not know that there are surprise attacks, pincer attacks, interceptions, blockades, and other ingenious military moves? Who is to say that the Chinese Communists will not first destroy Taiwan's airfields, military ports, radar stations, oil depots, and other strategic targets before launching sea and air raids?

Taiwan's "Strong Net [qiang wang 1730 4986] System"

Taiwan recently kept demonstrating to the outside world its "strong net air defense system." Some people in Taiwan believe that the "strong net system" which combines Taiwan's fighter planes, air defense missiles, and antiaircraft guns to form a bulwark of steel has high combat effectiveness and can inflict heavy losses on invading Chinese Communist warplanes.

Taiwan's "strong net air defense system" is a comprehensive command, control, intelligence, and communications system recently updated at a cost of more than \$100 million. It is a fully computerized air defense subsystem of the air, sea, and land forces of Taiwan. It has really increased Taiwan's response capability in air defense.

The air defense intelligence on which the "strong net system" is based is provided by about 35 radars on 21 radar stations situated on Taiwan Island and other islands off the mainland coast. The E-2T early warning planes purchased from the United States last year have further increased Taiwan's early warning capability.

Taiwan's air defense weapons include air defense missiles such as "Nike Hercules," "Hawk," "Skybow," "Patriot," "Chaparral," and "Standard," and some 35-mm antiaircraft guns. In addition, there are about 400 fighters.

Taiwan believes that its "strong net air defense system" is advanced and well-covered because it is much stronger than any of their old air defense systems. But how does it compare with the air defense systems of other countries and regions? Some experts on East Asian

security affairs have pointed out that the "strong net" may be able to intercept one or two spy planes or planes that have entered Taiwan's airspace by mistake, but can do nothing in the face of an all-out attack.

Taiwan's Air Defense Network Lacks Defensive Depth

The fact is, defensive depth is necessary in defense against air raids and missiles. During the Gulf War, both the United States and Iraq had air defense missiles that could reach a depth of 300-1,000 kilometers. Taiwan's geographical position as an island means that it has virtually no defensive depth. This has given rise to the following problems:

Taiwan's Radar Stations Are All Exposed on the Coast

The "strong net" depends entirely on radar and early warning planes for intelligence on aerial targets. Without such intelligence, the "strong net" cannot demonstrate its might. Air defense missiles will not be of much use, fighters will not be able to fight effectively, and antiaircraft guns will have a very low score.

Taiwan's air defense radar stations are exposed on high mountains, such as Takang Mountain. Because of their large size, they are easy to take aim at and hit. Taiwan has no defensive depth, and its radar stations are located on the coast, unlike most other countries which can build their radar stations in the safety of the rear area and which can have these stations protected by other forces. Thus the mainland only needs to dispatch a fishing vessel armed with rocket launchers to destroy Taiwan's radar stations. Air defense radars cannot be covered. If they are covered, they may be safe from bombing by mainland troops, but then neither can they "see" approaching mainland planes. What use are they then? However, radar stations that are exposed are easy targets for mainland missiles and naval guns. In the event of the outbreak of war, large numbers of radar stations in Taiwan will be quickly destroyed.

Drawbacks of Taiwan's Early Warning Planes

Of course, Taiwan also has its E-2T early warning planes. However, Taiwan only has four of these planes, and the actual maximum flying time for each is less than four and one-half hours. The reliability of this type of plane during the Gulf War was only 69 percent. Thus, Taiwan's early warning planes are not sufficient to organize round-the-clock air defense warning. At the same time, the radar on board these early warning planes has a small operating range, and one plane cannot cover Taiwan's entire airspace. An American aircraft carrier is only a speck compared to Taiwan, but even this is

usually equipped with five E-2T planes. It is thus quite obvious that Taiwan's aerial radar monitoring system consisting of E-2T planes has a lot of loopholes.

Taiwan's E-2T planes are only inferior versions of American early warning planes and have been in use for nearly three decades. The E-2 is a kind of ship-borne early warning aircraft. Due to strict volume and weight restrictions on aircraft carriers, early warning planes of the U.S. Navy have never been strong in performance. They are one generation behind those of the U.S. Air Force in terms of performance. The 1991 Gulf War demonstrated that the radars of the E-2C failed to function at the boundary of sea and land and did not perform well enough on land. The E-2T planes of Taiwan are the most inferior of the E-2 series. The United States, Japan, and Egypt all use E-2C's, and Taiwan is the only place where E-2T's are still in use. As far as major airborne equipment is concerned, the Americans were already using AN/APS-139 radars 10 years ago, although these are still fraught with problems. Since 1990 American E-2C planes have been equipped with the much improved AN/APS-145 radars, which approach the level of E-3A early warning planes used by the U.S. Air Force 15 years ago. However, the E-2T's Taiwan recently purchased are still equipped with AN/APS-138 radars developed in 1983, which are very much inferior in performance. It is also reported that, for security reasons, the Americans have removed some important "modules" from the planes. Thus, these planes cannot be expected to produce a significant impact in a geographical environment such as the Taiwan Strait.

Taiwan Does Not Have the Ability To Engage in Radar Confrontation

China is a large country which possesses all kinds of radars, from meter-wave radars to millimeter-wave radars, from short-range radars to long-range radars. It not only has strong aerial reconnaissance capability but has acquired the skills of interfering with different kinds of radars through the development of advanced jam-proof radars. Taiwan's radars, on the other hand, have been in use for 20-30 years and have no secrets to speak of. However, it is beyond Taiwan's current financial means to replace all these radars. Therefore, if Taiwan takes on an adversary as strong as the mainland, it will, in terms of radar confrontation, certainly be defeated.

Having looked at the intrinsically weak "software" of Taiwan's air defense command and control system, let us look at Taiwan's air defense "hardware," that is, weapon systems such as fighters. Fighters have always been regarded as the main force of air power. Due to Taiwan's geographic proximity to the mainland, all airfields of the Taiwan Air Force are liable to be

hit and destroyed. No matter how advanced Taiwan's fighters are, they will quickly be rendered ineffective by this fatal weakness which cannot be overcome. Given that Taiwan's fighters are actually not so advanced or sophisticated, they will quickly disappear from Taiwan's airspace.

Taiwan's Missiles Are Incomplete in Variety

Of course Taiwan also has American-made air defense missiles, but these are incomplete in variety. It neither has any real high-altitude missiles, nor does it have any real low-altitude missiles. In fact, it does not even have missiles that can hit high-speed targets. The United States has never attached much importance to air defense missiles because it has air supremacy. However, Taiwan does not have that, and it has a much smaller range of missiles than does the United States. For example, Taiwan does not have the "Loran" low-altitude missiles of the American troops. Of course, a small place like Taiwan will not be able to cope with seven or eight different types of missiles the way the American troops do. On the other hand, Taiwan has too few air defense missile units. Six battalions of about 30 combat units of missile units are simply not enough to cover the whole of Taiwan. During the Gulf War, the allied forces had to deploy about 50 air defense battalions, although they already had air supremacy.

Air defense missiles are mainly designed for hitting bombers. Thus, given that Taiwan's mainstay "Hawk" missiles only have a maneuverability of 15G and that even the latest "Patriot" missiles only have 25G, they are simply not capable of hitting mainland fighter and attack planes, which are much more agile than bombers. Moreover, Taiwan's air defense missiles have a small antipersonnel probability. For example, the theoretical value of "Hawk" missiles is 80 percent, while that of the "Chaparral" is only 50 percent. In real combat, their antipersonnel probability will be even smaller.

Taiwan's Air Defense Missiles Cannot Build Up a Line of Air Defense

Taiwan's terrain is rugged. This creates many blind spots in the detection of aircraft and missiles and in firing of antiaircraft guns and missiles, making it impossible for air defense units to produce networks of air defense fire that can effectively cover one another. Thanks to the shelter provided by Taiwan's mountains and the advanced fire-control equipment of the "A-5M" and other types of mainland aircraft, however, advancing mainland planes are often only exposed to Taiwan's air defense fire for a few seconds. Also, Taiwan's close proximity to the mainland means that it will only take mainland aircraft two minutes to reach

Taiwan from the mid-point line of the strait. However, most of Taiwan's air defense system takes a long time to respond. Even if it is fully prepared, it will still take "Hawk" missiles 34 seconds to respond, 20 seconds at the very least. Although the "Patriot" can respond in 12 seconds, this would not make a great difference. If it is not prepared, it will take 10-30 minutes for Taiwan's air defense missiles to respond, which means that they are virtually unable to intercept mainland fighters and can only strike at bombers and transport planes. But one can be certain that the mainland will first dispatch fighters to destroy Taiwan's air defense missiles and will definitely not send its bombers and transport planes over merely to be hit.

Apart from the "Patriot," which has yet to acquire combat capability, all of Taiwan's missiles are old and susceptible to interference. Taiwan's terrain is such that all its missile positions are situated in exposed coastal areas. For example, the missile position at Sanchihhsiang, Taipei, is only several thousand meters from the coast and can easily be hit by the guns of mainland naval ships. In short, Taiwan's missile strength is insufficient to form a complete line of air defense.

To intercept mainland attack planes, Taiwan's air defense missiles and antiaircraft guns must all be moved from their underground bunkers and be placed in surface positions. These movements can be detected by unmanned reconnaissance planes manufactured in Xian and can be clearly seen by mainland military personnel on television screens. Thus mainland guided missiles can whizz over and throw "fuel explosion bombs" over Taiwan's air defense positions. After a loud and dull explosion over wide areas, all air defense missiles and antiaircraft guns deployed by Taiwan on any military position will be destroyed. Taiwan's small and narrow territory means that units must be deployed tightly together, thus making it easy for mainland missiles to wipe out its air defense strength.

Mainland guided missiles can carry cluster bombs, which have a much larger lethal scope and therefore relatively low accuracy requirements. When countless cluster bombs explode on impact and send out a shower of steel balls, there is nowhere for the officers and men of Taiwan's air defense units to hide. Modern air defense weapons can only function as a system. The entire battle position will lose its fighting power if most of its missiles, antiaircraft guns, and radars are destroyed. In this way, Taiwan's air force and air defense system will be entirely subjugated, making way for the mainland to make its next move against Taiwan.

Friend-or-foe identification in fierce, large-scale air battles is a problem that no country has resolved. During the Gulf War, the method adopted by American troops to get around the problem of friendly fire casualties is the most clumsy yet most effective method of creating an air corridor. However, this cannot be done by the Taiwan Air Force because Taiwan is too small. Should an air battle break out over Taiwan, large numbers of Taiwan pilots will unavoidably be killed by Taiwan's own air defense missiles and antiaircraft guns. This way, Taiwan's 800 Air Force pilots will quickly be wiped out.

Attacks Launched During Typhoon Season Are Even More Difficult To Stave Off

If the mainland chooses to launch its attack at night or during typhoon season, Taiwan will suffer an even greater blow. Since Taiwan is very small, the whole island is at the mercy of strong winds and rain every time it is hit by a typhoon. At such times, Taiwan must put away its weapons, which means that all its military aircraft and air defense weapons will basically lose their combat effectiveness. Since mainland airfields are not affected by typhoons, mainland warplanes can take off whenever they choose and, with the help of blind bombing radar and GPS navigation systems, use heavy bombs which are less sensitive to wind to bomb Taiwan's Air Force airfields, air defense missile positions, and obvious targets. Under such circumstances, Taiwan will not have the strength even to strike back.

Taiwan is only 130 kilometers from the mainland at the nearest point, which means that targets in Taiwan are within the reach of M-7 missiles, which have the shortest range, to say nothing of intercontinental ballistic missiles. If mainland missiles can easily wipe out Taiwan's airfields, military ports, and air defense positions, Taiwan troops will have no alternative but surrender. Will Taiwan troops be able to intercept mainland missiles? Li Teang-hui, who knows nothing about military matters, bragged that he could deal with Chinese Communist "flying bombs" in an attempt to boost morale. However, military reality is not something that can be changed by bragging.

Defending missiles is an extremely costly form of combat. A satellite early warning system is needed to intercept guided missiles, and it costs scores of billions of U.S. dollars to build such a system. The Taiwan authorities are simply not in a position to raise this kind of money. Even if they have the money, they will not be able to borrow the satellite early warning system from the United States, because the United States considers this a top-secret strategic system that it would never

lead to any outside force. Without this system, it will not be possible to intercept missiles.

Mining Taiwan's Airports

If necessary, mainland missiles may even destroy all well-equipped permanent airfields and most highway airstrips of Taiwan's Air Force. Mainland troops may use several extremely powerful bombs, each with a warhead payload of 10 or scores of tons, to destroy the runways. Mainland missiles can blast big holes each with a diameter of several dozen meters or even over 100 meters on the runways, and the flying debris and concrete after the blast will be sufficient to destroy all buildings, planes, and antiaircraft guns and kill and maim Taiwan Air Force personnel who are thus exposed.

Taiwan's airfields have strong bunkers which can withstand 250-kilogram bombs. Taiwan's Air Force claims that with the protection afforded by these bunkers, its planes are safe from attack and destruction by mainland troops. However, the warheads that are going to come their way will surely weigh more than 250 kilograms. Taiwan's aircraft bunkers will be destroyed amidst the smoke and dustclouds caused by the violent blast of mainland missiles, and its airfields will be reduced to sites of debris, dirt, and rubble of damaged buildings. The blasts will also block the heavy shell-proof doors of the bunkers and hangars that escaped damage, which means that the planes inside will not be able to take off even if they are not destroyed.

For the sake of insurance, each of the M-7 and M-9 small guided missiles used by mainland troops can carry tens of thousands of small land mines, and these can seal off the bombed airfields. Some of these mines have trigger fuses, and some have pressure fuses, but the majority have magneto coils which will ignite on the approach of man or planes. This is as good as placing all Taiwan Air Force units in confinement. In this way, even if the most advanced fighter planes are deployed on the "unsinkable aircraft carrier" should war break out, Taiwan will find that it has lost all its fighting power because its airfields have been destroyed.

Taiwan's Airfields Have Nowhere To Hide

Some people may argue that Taiwan could deploy its fighter planes on makeshift highway airstrips to preserve their fighting strength. However, modern fighters like the F-16 have to carry more than six tons of fuel alone on each sortie, not to mention other complicated mechanical and avionics equipment. They also require the support of complicated special ground equipment. Apart from these, there are problems of navigation and communications. Thus, although the scattered deploy-

ment of modern aircraft on makeshift airfields may succeed in protecting the planes themselves, such a move cannot preserve their fighting power. If its airfields are destroyed and its 250 F-5E fighters are preserved thanks to scattered deployment, these planes will only be able to play the role of 15 fighters in subsequent air battles. What is the significance in combat terms of preserving these fighters?

Moreover, Taiwan is so small that the entire island is within the scope of surveillance of mainland radars. Once a Taiwan airfield has been utilized, it will no longer be secret. Besides, with limited plains, there are not many places that can be used as airfields. Thus, no matter how dispersed Taiwan's airfields are or how well they are protected, or even if they are not utilized at all, it will not be difficult for the mainland to guess where they are and wipe them out with precision.

Navy Will Lay Mines To Stifle Resistance

Mainland naval forces may also approach Taiwan's coast and bombard Taiwan's Air Force targets. Restricted by terrain, all airfields of Taiwan's Air Force, including its makeshift airstrips, are situated close to the sea and within the range of fire of mainland naval guns. If rocket guns normally intended for big warships are installed on the old speedboats of the mainland Navy, they can hit targets from 15-40 kilometers, even as far as 80 kilometers in some cases. Round-the-clock bombardment by mainland naval guns will inflict serious havoc on the key installations of Taiwan's airfields and decimate the already inadequate pilot and technician ranks of the Taiwan Air Force. Mainland naval units may also make use of large numbers of mine-laying rockets to lay millions of deadly land mines at Taiwan's airfields and air defense missile positions to blast to pieces the few remaining Taiwan officers and men who dare to continue the resistance. These land mines to be laid by mainland naval and air force units will be able to grip the Taiwan Air Force by the neck. Even if the Taiwan military were to dispatch all mine-sweeping experts and units to save the Air Force, there is not much that these experts could do in the face of the millions of land mines buried underground, for it will take one whole year to clear these mines with Taiwan's existing facilities.

Taiwan's Military Aircraft Are Under All Kinds of Threat

The converted anti-ship missiles of the mainland Navy may also take part in punitive attacks against Taiwan's Air Force and air defense units. Unmanned reconnaissance planes and scouts infiltrated into Taiwan will be able to identify the targets of long-range attack and fine-tune the earth points for mainland forces, and re-

port back to them the destruction of these targets. In many places, mainland scouts will be able to make use of the chaos created by such long-range attacks to directly launch extensive, fierce assaults against Taiwan Air Force and air defense units. At the mercy of mainland air and naval guns and mines, Taiwan's expensive military aircraft and surface-to-air missiles are likely to be crippled in their entirety.

Role of Chinese Communist Speedboats

Mainland naval forces have the largest number of speedboats in the world. There are several thousand of them. They have a weak target signal, are equipped with excellent electronic interference devices, and are well-covered by air and naval forces. Taiwan does not have sufficient anti-ship missiles. If Taiwan is to attack mainland gunboats, it will find itself running out of missiles at the last decisive stage. Thus, Taiwan's troops are virtually at their wits end as to what to do with mainland gunboats. They have limited arms and ammunition, but these are precisely what the mainland has plenty of in store. Like using an oxcleaver to kill a chicken, the mainland will be able to inflict serious damage on its adversary with powerful fire.

If necessary, the mainland will be able to annihilate Taiwan's air defense system with its bombers alone. Of course there is a price to be paid, but that mainland bombers will win in the end is something even Taiwan does not doubt.

The mainland has sufficient airfields along its coast to accommodate all its warplanes. The depth and echelon formation in the arrangement of mainland airfields make it impossible for anyone to destroy all of them.

In short, the unalterable geographic characteristics of Taiwan as a small island close to the mainland means that all of Taiwan's Air Force bases are within the range of powerful crossfire from the mainland. Taiwan's Air Force units on these bases are likely to lose their ground logistical support at any time, thereby losing their fighting power. What is more, these units do not have any strategic depth for retreat. No matter how powerful or advanced the Taiwan Air Force is, its warplanes cannot remain in the air forever. Once they land, they will fall into the firenet of mainland missiles, and these "fierce animals" in the sky will become weak "chickens" on the earth at the mercy of mainland fire.

The Whole Taiwan Strait Is Within the Range of Mainland Shore-Based Anti-Ship Missiles

In the past, the Taiwan Strait was a vast ocean for the small wooden vessels of the PLA land units, but today, mainland armed force units can easily control the strait and chase away Taiwan's naval forces. The

entire Taiwan Strait, which is only 120-130 kilometers wide, is under the close surveillance of radars along the mainland coast. What is more, the entire strait is within the range of mainland shore-based anti-ship missiles. Large numbers of anti-ship missiles can create a closely-grouped net of fire and bombard Taiwan warships entering the strait. Of course, Taiwan warships may intercept approaching missiles by firing ship-to-air missiles, and may switch on all their shipborne anti-missile electronics. However, each of Taiwan's warships can only carry a limited number of missiles, ranging from 10-40 at the most. Records of previous combat indicate that it takes 30-90 air defense missiles to shoot down a target. Thus, Taiwan warships are definitely insufficiently equipped with missiles to cope with a large-scale offensive. Moreover, all missiles in Taiwan are imported, and there are only 170 "Standard" ship-to-air missiles in all, which means that at the end of the day, all Taiwan's naval officers and men can do is await defeat as they watch in despair the empty and missile-fire-blackened launchers on board. The active and passive electronic interference devices on board naval vessels are specifically oriented. Each can only interfere with approaching missiles within a narrow angle of 20-30 degrees. Moreover, since each warship is only equipped with a limited number of such devices, they cannot interfere with missiles approaching from 360 degrees. With mainland missiles coming from all directions, even American warships which have the world's most powerful electronic interference devices can do nothing but be sunk.

Taiwan Troops Cannot Hold Back Mainland Attack

Of course, interference is not all-powerful. It cannot handle a "saturated" attack. The mainland has the largest number of old guided missile ships in the world, and it is said that it has an excess of old anti-ship missiles. Thus, the mainland will not be stingy about launching missiles, and being hit by a barrage of missiles is something that no warship can withstand. The mainland Navy also has the world's most advanced anti-ship missiles, namely, "SY-2," "C-101" and "C-102," which have a speed of Mach 2 and which not even American naval vessels can cope with. Old mainland missiles have warheads weighing over 500 kilograms. They are so powerful that they can blow Taiwan's largest warship in half. What is more, Taiwan's warships will be attacked by more than two such missiles at the same time.

The "Phalanx" [fang zhen 2455 7109] (anti-missile) short-range defensive weapon system can only intercept one missile at a time, and more often than not it misses. The reason is that the "Phalanx" only has an effectiveness of 0.2 in theory, and in practice its

effectiveness is even less. Moreover, it has many blind spots on board. On the other hand, mainland supersonic anti-ship missiles are so fast that existing close-range defensive systems simply cannot resist them. Even if mainland anti-ship missiles are hit and exploded, the fact that the American "Phalanx" weapon system only has a short range while mainland missiles have very powerful warheads, means that Taiwan's warships will still be decimated because their radars and electronics will all be smashed by the flying shrapnel of the explosion. Thus, the "Phalanx" cannot provide Taiwan's naval vessels with sufficient protection and is only there for show. In short, Taiwan's surface ships cannot survive the intense anti-ship missile fire of the mainland. Their only option is to back off the sphere of attack of mainland missiles and from the Taiwan Strait.

Taiwan's Navy has another mortal enemy, namely, typhoons. Several typhoons sweep past Taiwan each year. Since Taiwan is a small island, the whole island is at the mercy of strong winds and rain every time a typhoon arrives. On the other hand, most of the mainland is outside the impact of the typhoon's accompanying wind and rain. This affords an excellent opportunity to launch an attack. Mainland warplanes will be able to destroy

at will Taiwan missile-carrying speedboats which cannot withstand the storm and must return to base to seek shelter. Large warships will also suffer the same fate should they return to Taiwan to seek shelter, but then neither will they be able to escape disaster by remaining at sea. Rocked and swayed by the storm, even the most sophisticated shipborne equipment will malfunction, and these warships will lose their ability to defend themselves. Mainland warplanes are less susceptible to the effects of storm and will still be able to attack, at which time Taiwan's warships will have to suffer blows and will not be able to do anything. In short, geographic and climatic conditions, which cannot be changed, have put Taiwan in a passive position however much new equipment it acquires. Should the mainland decide to launch an attack, it will not be in a position to stop mainland forces from crossing the strait and land.

If the pro-independence forces cannot be held back, Chinese Communist missiles and air, sea, and land forces will cross the strait and attack Taiwan. When that time comes, facts will prove that the Taiwan Strait is no longer a natural barrier.

General

PRC: Minister on Improving Telecommunications Networks

OW2205155996 Beijing XINHUA in English
 1031 GMT 22 May 96

[FBIS Transcribed Text] Beijing, May 22 (XINHUA) — China is ready to build a digital data network linking its 500 major enterprises and 500 hospitals.

This, along with the construction of the golden card project, which aims to improve information transmission between banks, will offer promising opportunities for overseas firms to join in China's telecommunications construction.

Wu Jichuan, minister of Posts and Telecommunications, outlined the plans when meeting Britain's Deputy Prime Minister Michael Heseltine and a 15-member UK telecommunications business entourage.

Wu told the guests from the United Kingdom that China added 15 million telephone subscribers in 1995, pushing the total number of telephone subscribers to 44.32 million, 3.63 million of whom are mobile phone subscribers. China's telephone penetration rate has now reached 4.66 percent while the urban figure amounts to 17 percent, he said.

He said the total number of telephone switchboards had come up to 85.13 million lines by the end of last year, 98 percent of them program-controlled. All municipalities and provincial, regional capital cities, and even some counties in coastal areas, have access to teleconference communication.

All the provincial capitals except Lhasa can now transmit information via optical fiber and 86 percent of such transmissions are digitalized.

In the next five years, he said, telecommunications as an important sector of the national economy, will witness rapid growth in China.

The telephone penetration rate is expected to reach ten percent nationwide, and above 30 percent in urban areas by the year 2000.

Wu told the visiting British guests that China plans to lay at least 100,000 kilometers of optical fiber cables in the coming five years and the number of telephone switchboards is expected to double the 1995 figure by the year 2000, reaching 170 million lines.

All management and software systems will be upgraded. This all calls for accelerated cooperation between China and the rest of the world, he said.

Wu said his ministry has already had an extensive cooperation with British telecom companies such as Cable and Wireless Company and British Telecom.

He said China has had cooperative relations with the Cable and Wireless Company of Britain for over 100 years, and started a cooperation maritime cable shipping joint venture; GPT of Britain has started a joint venture in Shanghai's Pudong Area and British Telecom has long standing cooperative relations with China, he said.

Wu said China has large telecommunications market, but the country cannot rely solely on imported products. The future for the British companies will be more promising if they can lead in technology transfer and start joint ventures with Chinese enterprises, he said.

After the dozen businesspersons representing a dozen British telecommunications enterprises gave brief accounts to their companies and cooperation projects with China, the British Deputy Prime Minister said the British companies will forge closer ties with China's Ministry of Posts and Telecommunications and work more actively to explore the Chinese market.

PRC: State Council on Improving Accounting Work OW2305111196 Beijing XINHUA Domestic Service in Chinese 2241 GMT 9 May 96

[FBIS Translated Excerpt] Beijing, 10 May (XINHUA) — The State Council recently issued a circular asking various local governments and concerned departments to promptly take measures to check the accounting work of their own units in an all-round manner and improve accounting order in light of existing problems. It also asks them to make sure that their subordinate units do accounting work in accordance with the law and to establish standardized accounting order.

The State Council's "circular on improving accounting order and further raising quality of accounting work" points out that, during the Eighth Five-Year Plan period, China's accounting work scored significant achievements in legislation, the change of accounting system and method, and the registration of accountants. The circular notes, however, there are still many problems in accounting order, including the forging of accounting records and vouchers, arbitrarily apportioning charges, preparing "two sets of accounting books," hiding income, evading state taxes, shifting state funds, and setting up unauthorized small treasuries. The problems of violating financial discipline are quite conspicuous. They have seriously obstructed the smooth development of the economy and reform work, and have facilitated corruption. We must seriously correct those problems.

The circular calls on various units to complete the work of improving order in accounting work before the end of this year. All enterprises, administrative departments, undertakings, and social institutions should seriously make self-examination in a thorough manner. On the basis of self-examination, various localities and units should assign backbone cadres to form inspection teams to check at least 20 percent of key units under their jurisdiction. In the course of improving order of accounting work, it is necessary to give full play to the role of accounting and auditing offices and other intermediary organizations in the society. [passage omitted]

In the "circular," the State Council also asked various localities and departments to strengthen management to further raise the quality of accounting work.

PRC: Circular Urges Labor Contracts for Private Firms

OW2505051096 Beijing ZHONGGUO XINWEN SHE in English 0250 GMT 25 May 96

[FBIS Transcribed Text] May 24 (CNS) — A circular jointly issued by the Ministry of Labour, the State Administration for Industry and Commerce and an association for the self-employed requested that privately run enterprises and individual industrial and commercial entities should set up labour-capital relationship through entering into a labour contract with their employees. Those found of not observing the contract practice will be brought to justice in accordance with the labour law and other relevant regulations.

The circular noted that the establishment of such relationships was aimed at protecting legitimate rights and interests for owners of private enterprises and the self-employed as well as for labourers. The contract system could promote healthy development of the private economic sector.

According to the circular, private enterprises and the self-employed are requested to sign contracts with workers on the equal and voluntary basis. Both parties have to seriously observe provisions stated in the contracts in order to safeguard their respective legitimate rights and interests.

Labour departments as well as industrial and commercial administrative bureaux should set up the contract system by the end of this year. They have to offer instructions for the implementation of the contract practice and provide a model copy of such contract while at the same time supervising and examining the observance of the contract system.

Self-employed associations and organizations of private enterprises have to coordinate with the government in promoting the contract system. These groups should form a committee responsible for the mediation of labour disputes.

PRC: State Drafting Rules on Transfer of State-Owned Assets

OW2705094296 Beijing ZHONGGUO XINWEN SHE in English 0830 GMT 27 May 96

[FBIS Transcribed Text] May 27 (CNS) — According to the State Administration of State-Owned Assets, government departments are now intensively working on formulating the "Administrative Measures for Transfer of State-Owned Assets of Enterprises". Such measures will be issued very soon to curb drain on state-owned assets.

It is said that some state owned enterprises intentionally undervalue and sell their assets at a low price while others transfer state-owned assets to individuals under the situation of confused property rights or in the name of reform. All these cause a drain on state-owned assets. In view of these problems, the departments concerned are drawing up administration measures, which will be issued soon, to tackle the problem.

PRC: State Council Circular on Control of Urban Growth

OW2805014796 Beijing XINHUA in English 0124 GMT 28 May 96

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — The State Council has issued a circular calling for improved urban planning to control the use of land in major cities and restrict the size of urban population.

According to the circular, the population of big cities and the amount of land used for construction should not exceed limits specified by government-approved plans for year 2000.

In principle, cities with a population of more than 1 million are not allowed to expand any further.

The circular also suggested that existing land be better utilized to avoid encroaching on farm land.

The move follows concern about loss of valuable land resources and damage to the environment as a result of reckless urban expansion and lax law enforcement, the document said.

The State Council has called on local governments to strictly abide by the Urban Planning Act promulgated in 1989.

The circular urged that governments at all levels safeguard the integrity of urban planning, and give full play to urban planning departments in managing land resources.

Power over city planning must be under direct control of municipal governments and should not be delegated, it stressed.

Construction must conform to overall development plans, concerning the sites, land use and construction plan.

In accordance with the Urban Planning Act, cities with a population of more than half a million should have their development plans approved by the State Council.

Plans of other cities can be approved by lower level governments, after being checked by the Ministry of Construction, the State Planning Commission and the State Land Administration.

Plans of townships should be approved by the local construction, planning and land administration departments, the circular said.

If their urban plans fail to meet the government's requirements, the cities must amend them.

Use of land for construction and residence is restricted until new city blueprints are approved.

The State Council circular also asked that law supervision efforts be reviewed annually and that violations of the law be dealt with severely.

Diversified development zones and buildings set up without approval must be demolished, the document said.

PRC: State Calls for Improved Urban Planning
HK2805091596 Beijing CHINA DAILY in English
28 May 96 p 1

[By Yang Yingzhi: "State Intensifies Control Over Urban Growth"]

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Diversified development zones and buildings set up without approval must be demolished, the document said.

PRC: MOFTEC Acts To Keep 'Foreign Garbage' Out of Country

OW2805170296 Beijing XINHUA in English
1642 GMT 28 May 96

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — An emergency meeting has been held by the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) to discuss measures to keep "foreign garbage" from entering China.

The meeting called on foreign trade departments in the country to attach great importance to imported "foreign garbage", take measures to control the import of waste and used materials, and absolutely prevent the inflow of "foreign garbage" into China through foreign trade channels.

A MOFTEC official urged foreign trade and economic departments and enterprises with import and export autonomy to clearly understand the relevant laws, regulations and systems concerning the import of waste and used materials.

MOFTEC announced a series of measures at the meeting, which spells out their action plan.

All departments concerned should make a thorough self-examination and extensive checks of all signed contracts concerning the import of waste and used materials and delivered goods.

They should properly handle all items regarded as "foreign garbage" in line with relevant laws and regulations; take emergency measures to dispose of those goods on the way to China; closely examine those which have not been loaded; and expose those people who have purposefully deceived the parties on the Chinese side and demand compensation from them.

From now on, any imports of waste and used material should be put under a strict licensing process, and no such contract can be signed without official approval. The credibility of foreign exporters should be closely checked, with all the quality indicators for imported materials unambiguously explained in the contract.

Moreover, imported materials should be accompanied by examination certificates issued by the authoritative organs, and the on-the-spot checks will be required for technically qualified importers.

PRC: Planning Commission Approves 131 Key Projects

OW2805001296 Beijing ZHONGGUO XINWEN SHE in English 2319 GMT 27 May 96

[FBIS Transcribed Text] 27 May (CNS) — The State Planning Commission (SPC) has given the green light to allow 131 premier projects for the current year to go ahead.

These projects mainly cover fields of agriculture, forestry and water conservancy (7); energy (57); transport, post and telecommunications as well as civil aviation (25); raw material, electrical & mechanical and automobile manufacture projects (21) as well as others. They are considered to play important roles in boosting national and regional economic development

and technological advancement especially in the central and west China.

Although the total number of these projects is slightly down by 8 compared with the previous year, the total planned investment increases by RMB [reminbi] 8 billion, accounting for nearly 20 and more than 50 per cent of state enterprises' total infrastructure investment and the national planned investment for major projects respectively.

The SPC, at the same time as unveiling prime projects, has urged all local governments and financial organisations concerned to take vigorous efforts to ensure funds for these projects well-placed according to the state schedule. Coordination should be maintained to make sure that any problems arising are dealt with promptly and properly.

And whilst re-assuring that these state-designated premier projects will receive priority government arrangement in areas of land requisition, transport services, water and power supply, the SPC attaches great importance to the introduction of proper tendering and work control systems, and stiffly points out that any random and unauthorised charges posed on the construction process of these projects must be strictly prohibited.

In addition, all concerned parties are duly reminded to exert stringent cost control measures and close supervision on the construction process. In the case of any irregularities being detected, the official(s)-in-charge will be held liable.

PRC: NPC's Tian Jiyun Meets European Parliament Delegation

OW2905070896 Beijing XINHUA in English 0645 GMT 29 May 96

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — A senior Chinese legislator said here today that there exist more common grounds than differences between China and the European Union (EU), and the two sides should seek common interests while preserving divergences to push bilateral ties to a new stage.

Tian Jiyun, vice-chairman of China's National People's Congress (NPC) Standing Committee, made the remarks in a meeting with a 16-member delegation from the European Parliament here today.

The delegation, headed by Stefano Deluca, is here to discuss relations between the EU and China.

Tian said that China and the (EU) states enjoy a favorable relationship, and the economic and trade ties between the two sides have also witnessed fast growth

in recent years. He mentioned the fact that the EU is now China's third-largest trading partner.

The frequent exchange of visits between China's NPC and the parliaments of the EU countries has helped to increase mutual understanding and friendship as well as to promote bilateral relations in all fields, Tian noted.

He went on to say that China and the EU countries share common interests on many issues while they have some divergences. The two sides should seek more common grounds and expand their co-operation, which conforms to the global trend as well as the interests of all nations, the vice-chairman added.

Tian expressed his hope that the European visitors would travel to more places in China so as to get better acquainted with the situation in the country.

Deluca told Tian that the current China trip by the delegation, which is made up of members from all kinds of political parties of European countries, aims at enhancing mutual understanding. The delegation has been much impressed by China's great achievements in its legal system construction, he said.

The delegation arrived in China on Sunday at the invitation of the China-European Parliament Friendship Group of the NPC.

***PRC: CASS Group Analyzes 1995-1996 Social Situation**

96CED187A Beijing GUANLI SHIJIE
[MANAGEMENT WORLD] in Chinese 24 Jan 96
No 1, pp 62-68

[Article by the Chinese Academy of Social Sciences, CASS, Research Group To Analyze and Predict the Social Situation: "Analysis and Prediction of Social Situation in 1995-1996"]

[FBIS Translated Text] I. Basic Judgment on the Social Situation in 1995

The overall characteristic of the social situation in 1995: For the premise of general social stability, the economy and social structure attained improvement, the speed of economic development as a whole was even more rational, the margin of price increases notably declined, and the psychological condition in society was relatively stable.

China's economy has grown with a comparatively vigorous momentum since 1992. But, society as a whole has made relatively slow advances; energy, transportation, communications, education, science and technology, and public health undertakings have not been able to keep pace with it. As a result, development itself has been restricted, and social tolerance has been

challenged as well. The most conspicuous challenges were the high inflation rate and high price-rise index for consecutive years. Inflation in 1994 reached an all-time high since the founding of the PRC, and commodity retail price indexes, particularly those of daily necessities, increased by more than 20 percent on average. Therefore, checking inflation and controlling price increases were crucial to maintain social stability in 1995.

When we take into consideration the actual tolerance of the large number of staff and workers in state-owned enterprises that have performed poorly and the actual income level of the large number of rural residents, curbing price increases is not merely an issue in the economic field, but it is of extremely sensitive social and political significance. In 1995, we put in a good deal of effort to control prices and achieved comparatively remarkable results. Price increases fell within the range of planned control for the whole year.

We should note that these results were, to a great extent, still obtained by virtue of administrative means. Moreover, the introduction of some previously formulated reform plans, particularly those for state-owned enterprise reform, had to be postponed or merely limited to experiments. The difficulty of this issue was that the intense contradiction between the rapid increases of existing commodity prices (particularly those of daily necessities) and the living predicament of the laid off and partly laid off staff and workers and their family members from the large number of state-owned industrial enterprises with poor performance has forced policymakers to place importance on the stability of commodity prices in their decisionmaking. It was necessary to reduce investment in a bid to stabilize prices, but such retrenchment in turn brought about greater difficulties for the enterprises. This caused more staff and workers to be laid off or partly laid off.

The unemployment rate should be inversely proportional to the inflation rate under normal circumstances. If we just look at the rate of registered unemployed personnel, it was not very high. However, if we take into account the "latent unemployed" personnel, then the actual difficulty facing us at present is the coexistence of a high inflation and unemployment rate. "Latent unemployed" personnel includes the laid off and partly laid off personnel in many poor performing enterprises, those in a large number of institutions that have more hands than needed, and millions upon millions of surplus labor in rural areas. This is also one of the principle reasons why state-owned enterprise reform and urban reform were hard to advance.

Originally, the hope of resolving the problem of laid off and latently unemployed staff and workers lies in the institution of perfect social security and social relief systems. It is difficult, however, to comprehensively institute a social security system under the current condition of limited central financial capability.

Prior to the comprehensive institution of a social security system, state-owned enterprises have no alternative but to shoulder the burdens of social security and relief. This also has made it more difficult for the large number of state-owned enterprises to revitalize, to raise their economic results, and to participate in market competition.

Control of price hikes and the maintenance of social stability obviously have become a prerequisite for further development in a situation where the number of loss-incurring industrial enterprises continues to grow and the amount of losses continues to increase. Viewed from the social aspect, the following should be included as prerequisites: the curtailment of investment scope, control of money flow, appropriate slowdown of development speed, trials for more standardized management of migrant workers, more severe punishment on corruption, and a crackdown on various economic crimes and criminal offenses. Relatively notable achievements were scored in the above areas in 1995 with the coordination and tacit understanding of various social sectors.

(1) The Goal of Macroeconomic Regulation and Control Has Been Basically Achieved

1. The practice of the moderately austere macroeconomic regulation and control policy in 1995 led to a gradual decline in China's national economic growth, which generally fell into a moderate growth area. The GDP in the first to third quarters was 3.6495 trillion yuan, representing an increase of 9.8 percent over the same period of the previous year as calculated at comparable prices, while the margin of increase dropped by 1.6 percent compared with the corresponding period the previous year. It is anticipated that the growth rate for the whole year will be approximately 10 percent.

2. Production of grain, edible oil, and meat increased; bumper harvests were reaped in agriculture and animal husbandry. In 1995, the total sown area for agricultural products was 149 million hectares, increasing by 1.09 million hectares over the previous year. Of this total, the sown area for grain was 110 million hectares, increasing by 100,000 hectares over the previous year, (the area for cereals was 89.04 million hectares, increasing by 1.5 million hectares, of which the area for paddy rice was 30.70 million hectares, increasing by 530,000 hectares; the area for corn was 22.74 million hectares, increasing by 1.59 million hectares), and the area for oil-bearing

crops was 13.1 million hectares, increasing by 1.01 million hectares. The agricultural output presented a trend of steady growth and showed an increase of 5 percent in the first three quarters over the corresponding period of the previous year. By the end of October, the accumulative total of grain purchased was 48.69 billion kg, increasing by 2.48 billion kg, and edible oil purchased totaled 1.323 million tonnes, increasing by 19.5 percent. The production of principal farm produce and animal products in the whole year will increase in varying degrees, and grain output is expected to exceed 910 billion jin, increasing by approximately 20 billion jin or an average of approximately 10 jin per mu. The output of edible oil exceeded 21 million tonnes, an increase of 1.1 million tonnes, the highest level in history. Meat output reached 47 million tonnes, and the per capita possession of meat also hit the highest record. The sown area of cotton alone was the same as the previous year.

3. The industrial economy operated normally in general and obtained steady growth in structural readjustment with the margin of increase declining quarter by quarter. In the first three quarters, industrial production at and above township level increased by 13.4 percent over the corresponding period of the previous year. Of which, the increase in the first, second, and third quarter registered 14.4 percent, 14 percent, and 12.3 percent respectively. It is anticipated that the growth in industry can be controlled between 13 and 14 percent, representing a decrease of approximately 4 percent. From January to September, rural industry grew by more than 30 percent compared with the same period the previous year.

4. The growth of financial revenue remained comparatively high. The fiscal budget for 1995 was fulfilled by nearly 80 percent from January to October, an increase of 24.3 percent over the corresponding period the previous year. Of this total, the financial revenues of the central and local authorities grew by 17.1 and 32.5 percent respectively. A relatively outstanding feature was that individual income taxes in 1995 for the first time exceeded 10 billion yuan, reaching 10.09 billion yuan in the first 10 months alone, up 82.2 percent over the same period the previous year. The 1995 fiscal budget for expenditures throughout the country was fulfilled by more than 70 percent in the first 10 months, up 22.8 percent over the same period the previous year. Of this total, financial expenditures at the central and local levels increased by 14.4 and 27.1 percent respectively. More expenditures were used to support agricultural, cultural, educational, scientific, and public health undertakings. Among them, over 4.6 billion yuan and over 11 billion yuan were increased respectively to support agricultural and educational undertakings. After balancing the rev-

venues and expenditures of the entire country, expenditures were larger than revenues by less than 7 billion yuan. In other words, judging from the situation in the first 10 months, the growth of central and local financial revenues was slightly higher than that of expenditures. In the first three quarters, money supply increased by 15 percent (a decrease of 11 percent) and money release was reduced by 46.6 billion yuan over the same period the previous year. Throughout 1995, financial deficits will hopefully be controlled within the budget limit, while foreign exchange reserves will exceed \$70 billion.

5. The gaps between various kinds of growth narrowed to some extent. In 1995, the gap of growth between state-owned industry and the entire industry, that between heavy industry and light industry, and that among industries in eastern, central, and western China were narrowing. From January to September, the added value of state-owned industry amounted to 663 billion yuan, up 7.1 percent; but, compared with the growth rate of the entire industry, it went down 5.7 percent over the beginning of the year. Accumulated in the first three quarters, light and heavy industries grew by 17.0 and 10.7 percent respectively, and the difference between their growth rates narrowed month by month. In September, the growth rate of heavy industry was lower than that of light industry by just 1.7 percent. From the first to third quarter, industries in southeast coastal areas and interior areas grew at an average of 15.5 and 10.7 percent respectively, and their difference narrowed by 3.4 percent compared to the corresponding period the previous year.

(2) Society Was Stable on the Whole

1. Peasants displayed greater enthusiasm for growing grain, and a stable situation was presented in rural areas as a whole. Due to measures such as grain purchasing price readjustments in 1994 and increased input into agriculture in 1995, plus the market price rises of, and the brisk demands on, agricultural products, the large number of peasants' enthusiasm for growing grain was brought into play. More monies earned by peasants themselves through production was put into farming, which was reflected by the increased sown area and output of grain on the one hand, and by their enjoyment of prosperous lives and contented work on the other.

2. The number of rural workers increased, and their jobs were arranged in a more orderly manner. According to a relevant study, it was conjectured that in 1995, the rural population leaving their own villages to work in other places totaled about 65 million to 75 million people. By the end of October, 1995, the number of migrant workers going to work in cities outside

their own provinces or autonomous regions reached 30 million, an increase of approximately 20 percent over the previous year. However, as some management measures regarding the supply and acceptance of these migrant workers were adopted one after another in both the supplying and accepting places, the flow of migrant workers in 1995 was, by and large, conducted in a relatively orderly direction so that no ungovernable phenomenon such as the "waves of migrant workers" emerged.

3. The employment structure changed, and the proportion of workers and staff members working in tertiary industry and nonstate economic units increased. By the end of the third quarter, staff and workers in state-owned units of the tertiary industry had reached 58.521 million people, increasing by 866,000 people; while staff and workers in primary and secondary industries registered 14.401 million and 35.414 million people respectively, reducing by 463,000 and 1.061 million over the same period the previous year. Since the beginning of 1995, staff and workers in state-owned and collective units have kept on reducing; in the first three quarters, those working in urban state-owned and collective units decreased by 658,000 and 2.053 million respectively over the same period the previous year. While staff and workers in various other economic units continued to grow, by the end of the third quarter, the percentage had risen to 5.2 percent from 3.8 percent in 1994. Among the business operators in cities and towns, those working in individual and private sectors accounted for 10.9 percent and exceeded 18 million people, an increase of 4 million over the same period the previous year.

4. The income of urban and rural residents also increased, and the margin of price rises declined month by month. In the first three quarters of 1995, per capita income of urban residents used as living expenses was 2,880 yuan, and the actual income increased by 5.8 percent after allowing for the price rise factor; peasants' cash income was 1,127 yuan, up about 12 percent, and their per capita net income was up about 5 percent over the previous year. While nearly 100 billion yuan of treasury bonds were purchased by urban and rural residents in the first three quarters, deposits also increased by 603.4 billion yuan, up 38.1 percent over the same period the previous year, with the balance of residents' savings reaching 2.757 trillion yuan. In the meantime, the margin of price rises declined month by month, and that of commodity retail prices dropped from 21.2 percent in January to 10.3 percent in October. Between January and November, the price rises averaged 15.4 percent and the target of controlling retail price rises at approximately 15 percent in the whole year will hopefully be attained.

5. More radical action against corruption was taken, the crackdown on crimes was more effective, and public order in cities and rural areas was stable on the whole. In 1995, some major cases involving corruption, bribery, and illegal fundraising were unearthed, which brought about a greater impact on various social sectors. Between January and August, procuratorial organs throughout the country placed 44,813 cases on file for investigation and prosecution, an increase of 2.4 percent over the same period the previous year. In the first half of the year, the discipline inspection and procuratorial organs nationwide tried a total of 54,653 cases in violation of party and administrative discipline, for which 48,054 people were punished, and 2,997 people were transferred to judicial organs for handling. During the same period, procuratorial organs across the country identified and dealt with 20,903 major cases involving corruption, bribery, and embezzlement of public funds in the amount of over 10,000 yuan, an increase of 18.9 percent over the previous year; they also placed on file for investigation and prosecution 1,552 cadres at and above county and section chief levels, who were involved in serious criminal cases such as corruption, degeneration, bribery, and so on, which showed an increase of 22.5 percent over the previous year. Among these people, 1,468 people were cadres at county and section chief levels; 82, at department and bureau head levels; and two, at provincial and ministerial levels. In addition, they placed 814 judicial personnel on file for investigation and prosecution of their crimes. In the first nine months, 1.207 million criminal cases were cracked, increasing by more than 6 percent over the previous year; 150,000 criminal gangs of various kinds were smashed; and more than 600,000 criminal gang members were arrested. Public security as a whole presented a basically stable condition, and the general social situation did not take a turn for the worse because of the security problem.

II. Principal Problems

(1) The Economic Area

1. The economic structure was irrational, an outstanding problem was that the microeconomy was still in difficulty, and the overall level of industrial economic performance declined. The scope of loss-incurring enterprises and the amount of their losses were on the rise. Between January and September, the amount of losses and the scope of loss-incurring enterprises rose by 31.8 and 24 percent respectively, of which the scope of state-owned enterprises operating at a deficit accounted for approximately 45 percent. Although the industrial output value of industrial enterprises with independent accounting and their sales income both increased by more

than 25 percent in the first three quarters, the profits they realized dropped by nearly 10 percent. The losses of commercial, grain, and foreign trade enterprises also rose by a wide margin; the extent of losses incurred by banking and insurance industries was unprecedented; and the textile industry was seriously operating under capacity. Meanwhile, there were serious phenomena of default among enterprises. By the end of September, the amount of state-owned enterprises' accounts receivable was close to 430 billion yuan, an increase of more than 46 billion yuan over the beginning of the year. It is estimated that the total amount of accounts receivable of the 370,000 independent-accounting industrial enterprises will be close to 800 billion yuan for the whole year, up more than 120 billion yuan.

2. Financial resources drained away and the state lacked adequate financial capacity. In comparison with economic growth, the growth of financial capacity over the past 15 years lagged behind, as seen in the continuously declining proportion of financial revenue in the GDP as well as the repeatedly declining proportion of central financial revenue in national financial revenue. This situation did not take a marked turn for the better in 1995. Even though the proportion of central financial revenue increased to a certain extent after the financial structural reform in 1994, the proportion was still too small (as it had fallen to 11.8 percent in the GDP), the gap between revenues and expenditures became wider and wider, and debts kept rolling up. In 1995, the amount of bonds issued exceeded 150 billion yuan, which accounted for more than 50 percent of central financial expenditure. By the end of October, the balance of default in payment of industrial and commercial taxes across the country had exceeded 23 billion yuan, and tax arrears showed a rising trend month by month. In localities, a considerable portion of financial departments at and below county levels was still in great difficulty. Some of them even could not ensure discharge of normal outlay, so that salaries of cadres, staff, and workers were behind in payment. In some units, the arrears had been for months, which seriously affected the normal operation of grassroots work and the lives of the workers.

3. The foundation for increasing agricultural production was not solid, and the problem of increasingly heavier burdens on peasants still could not be lightened. Although relatively good harvests were yielded in 1995, grain output, in fact, was just equivalent to the level in 1993. With the population factor added to it, the per capita possession of grain was declining. The sown area of cotton in 1995 was not expanded on the basis of the previous year, and the spring drought in some northern cotton producing areas affected both the expansion of sown area and the output of cotton. Up to 20 November,

a grand total of 50.82 million dan of ginned cotton had been procured, quite short of the target of 80 million dan.

In 1995, there was a comparatively big increase in total agricultural input. However, its proportion was not high, the input at county level was reduced, and the proportion of agricultural capital construction in capital construction investment under the central planning showed a declining trend. The prices of the means of agricultural production surged too rapidly in 1995. In the first nine months, after allowing for the price rise factor of the means of agricultural production, per capita monetary expenses used by peasant households in production still grew by 12 percent over the corresponding period of the previous year; it produced a great impact both on the range of price rises of the means of agricultural production and on peasants' tolerance arising therefrom. In September, the marketing prices of the means of agricultural production rose by more than 25 percent, and that of chemical fertilizer rose by 33 percent, which were too substantial and too sharp and were much higher than the rises of social commodity retail prices and residents' consumer goods prices in the same period.

This seriously weakened the benefits brought to peasants by way of raising grain prices. In the meantime, although the purchasing prices of agricultural products were adjusted somewhat, they were still a long way from market prices. The difference between the grain procurement price and market price was 0.30 to 0.40 yuan per jin on average. Therefore, peasants felt that it was not to their profit. This not only increased the difficulty in procuring grain, but also dampened peasants' enthusiasm for next year's production. Although peasants had a relatively big increase in their income in the whole year, their burdens became even heavier. According to a survey of 100 counties conducted by the Ministry of Agriculture, peasants' social burdens increased by 20 percent and their shares in fundraising and apportionment increased by 24 percent in 1995. The financial difficulties of governments at and below county levels further added to peasants' burdens.

(2) The Social Area

1. Inflation pressure was still ~~very great~~, the increase in retail prices was still on the high side, consumer goods prices surged even more rapidly, and prices of daily necessities went up month by month. The foundation for checking inflation to bring down price hikes was not very sound, and the deep rooted contradiction that led to inflation was not yet resolved. In 1995, although great efforts were made to control the inflation rate so that the margin of price rises was brought down a little, the

increase in retail commodity prices was still on the high side, which reached 16.6 percent between January and September and averaged 15.4 percent between January and November. Moreover, we must note that even if we were able to control inflation at the set target of approximately 15 percent for the whole year, it is still too high.

Along with the price rises of raw and semifinished materials and energy, the prices of the means of agricultural production also went up, which affected peasants' actual income on one hand, and caused the prices of agricultural products to go up on the other. The direct cause of the increase in retail commodity prices was that supplies of agricultural products had fallen short, which led to the skyrocketing prices. Between January and September, however, no measures were introduced to readjust the prices of agricultural products, but grain price still rose by more than 21 percent over the corresponding period the previous year. This directly led to the price increase of other agricultural and sideline products. The ultimate result was that prices of urban and rural residents' daily necessities shot up month by month. Foodstuffs, for example, rose by the biggest margin and reached 25 percent, (of which meat, poultry, and their products rose by 31 percent, and fresh vegetables rose by 28 percent); catering and service industries rose by 27 and 21 percent respectively. What merits our attention is that the margin of price increases in rural areas was higher than in cities, and that in the western part of the country it was higher than in the coastal area.

2. From now on, we should reduce the impoverished population by more than 11 million each year. It is an arduous task. The poverty problem was even more conspicuous as the number of staff and workers, who were laid off due to the shutdown of enterprises, continued to grow. According to the state's plan for assisting the poor and storming heavily fortified positions, more than 11 million absolutely impoverished people in China's rural areas should be reduced in 1995. In the meantime, there are still some 15 million impoverished population living in cities. Thus, the total number of impoverished population exceeds 80 million, which accounts for 7 percent of the total population. Meanwhile, because of the poor performance and unsound internal microscopic mechanism of industrial enterprises, the problem of shutdown or partly shutdown was aggravated rather than alleviated in 1995. Therefore, even though we take no account of inflation pressure, the staff and workers of some poorly performing enterprises together with their families were quite badly off in their actual lives. It was particularly the case with couples whose units were both shut down. The number of this group multiplied rapidly, and their

basic daily lives were not guaranteed. According to the data released by the State Statistical Bureau, by the end of September, the number of staff and workers impacted by the "double shutdown" exceeded 7 million people. In addition, there were still 2 million personnel removed from their work places, and about 7 million urban residents out of jobs (about 5 million having registered as unemployed, and the registered unemployment rate being 2.8 percent). The abovesaid people, their spouses, children, and some retirees whose income had relatively decreased, had become relatively impoverished population in cities and towns. If the urban residents with lowest income (per capita income being 130 yuan a month) were calculated as 10 percent, then more than 30 million people will fall into this category. The coexistence of absolute poverty and relative poverty as well as the crisscross of urban poverty and rural poverty added to the difficulty of eliminating indigence.

3. The income gap continued to widen. In 1995, the average annual salaries of staff and workers in nonstate economic units were 33 percent higher than those in state-owned enterprises, and there was a tendency of further widening. Comparing cities with rural areas, the gap between urban residents' per capita income used as living expenses and peasants' per capita net income widened by 0.15 fold over the previous year, and the difference between urban and rural consumption levels was over 3.7 fold, not counting various kinds of subsidy, social security, and service items. Comparing the rich with the poor, according to a survey conducted by the State Statistical Bureau on 100,000 urban and rural families with a five-grade division method, the gap between high and low income families in 1995 widened by 0.2 fold to reach 3.3 fold. If the 20 percent urban high income families were compared with the 20 percent rural low income families, the gap was even much larger and reached a dozen fold.

4. Social security had not fundamentally improved, and there was an elevated rate of placing major and serious cases on file for investigation and prosecution. Between January and September, nearly 500,000 major cases were placed on file for investigation and prosecution throughout the country, and the rate rose by nearly 13 percent over the corresponding period the previous year. Ranking first among various kinds of major cases were those involving burglary and robbery (nearly 300,000 cases and over 80,000 cases), which represented an increase of 16 and 10 percent respectively. The problem of criminal gangs was very prominent, too. Crimes in the economic area also increased considerably, and major swindling cases went up by nearly 15 percent over the corresponding period the previous year. Of this total, swindling cases involving financial affairs (such as en-

gaging in illegal exchange arbitrage, defrauding export drawbacks, stealing and forging invoices of value-added taxes, and so on) notably increased, and its percentage in the total number of swindling cases rose to 30 percent from 10 percent in the past. In the first six months alone, drug trafficking cases increased by more than 40 percent; between January and September, cases of practicing prostitution and patronizing prostitutes rose by more than 27 percent. Besides, mass incidents that affected social stability were also increasing. These mass incidents included armed fighting, strikes, appealing to the higher authorities for help, demonstrations, and so on, most of which arose from the failure of promptly and appropriately handling various kinds of interest relationships, such as unsecured lives of staff and workers in loss-incurring enterprises (including laid off, partly laid off, and retired personnel), requisition of land in cities and rural areas, price hikes, high management fees, disputes over land, hills, and water resources, inadequate or tardy compensation for land taken over for public use, excessive fundraising and apportionment, lower salaries of staff and workers employed in foreign-invested enterprises, insufficient protection for their legitimate rights and interests, and so on.

III. Trend Prediction

The task of maintaining stability and the momentum of development cannot be fulfilled in a year. As 1996 is the first year of the Ninth Five-Year Plan, various departments and localities will call for increasing investment and starting new projects. Under these circumstances, how to maintain an overall balance of economic development, how to continue reducing the pace of economic growth and price increase, and on this premise, how to deepen reform, especially the in-depth reform in large and medium state-owned enterprises, and how to maintain basic social stability and rudimentary public order at the same time, are issues that we should handle conscientiously.

1. In 1996, we are still in the later stage of the economic operating cycle, during which we will continue practicing "moderate retrenchment" and the policy of macroeconomic regulation and control which takes curbing inflation as a principal target. Barring the unexpected emergence of significant events, it will not be too big a problem to control the economic growth rate at about 8 to 9 percent and commodities' retail price increase at about 12 to 13 percent in the first half of this year. However, if we do not pay enough attention to it, there will probably be a rebound in the second half of the year. Particularly in the final quarter, the former will most likely exceed 10 percent and the latter will exceed 15 percent, thereby exerting a greater pressure and tension

upon the entire society and pertinent strata, and impact the stability and coordinated economic and social development in 1997.

2. The condition that the proportion of the central finance is relatively low in the GDP and in the total financial revenue will continue to exist in 1996, which will retard the pace of instituting a social security system. It is also very difficult for some local financial authorities at and below county levels to make a considerable change in their financial situation during the year. However, thanks to intensified tax supervision and law enforcement since the end of 1995, a greater improvement in tax collection on the basis of 1995 can be expected in 1996.

3. In 1996, state-owned enterprise reform will develop in width and depth, but many links, such as how to disseminate the experience gained from experiment, and how to put into practice the measure of "taking firm control of the large enterprises while setting aside the small ones," still have not been clearly defined. Therefore, the issues of how to make proper arrangements for the laid off and partly laid off staff and workers and of how to make appropriate compensations for the retirees who have suffered losses due to price rises still are important variables that affect urban social stability.

4. In 1996, we will further increase financial and scientific and technological input into agriculture, and enable the purchasing prices of grain and other products to remain in the range of comparatively reasonable prices so that the sown area and output of grain and other farm produce will continue to grow on the basis of 1995. But, with the population growing, demands will likewise increase. The foundation for agricultural development will not be very solid, and the weak position of agriculture in the national economy will not be changed dramatically. The prices of the means of agricultural production will continue to rise, which will, in turn, dampen peasants' initiative in growing grain, impair the margin of increase and the importance of agricultural production, and affect peasants' actual benefits. What is more, the situation may emerge again in which bigger output did not bring a higher income, or bigger output brought only a meager increase of income. This means that peasants' burdens, in reality, will become even more onerous. Meanwhile, how the local authorities at and below county levels with poor financial conditions should conduct their work in a normal fashion, and how county financial departments should ensure their agricultural input without, at least, further adding to peasants' burdens, will be issues of momentous significance.

5. There will be approximately 10 to 15 percent more peasants leaving their home villages to work in town in 1996, and the scope and pressure of rural population transferring to nonagricultural trades will not diminish. The process of rural areas turning into cities will be somewhat accelerated, but the restraint stemming from the seriously lacking infrastructural facilities will still exist. Under the circumstances of rising urban unemployment rate and the increasing number of state-owned enterprise personnel removed from their work places, how to properly absorb and organize the numerous number of rural surplus labor will still be a thorny problem confronting urban governments at all levels.

6. In the area of social security, if pertinent departments at various levels intensify their work to crack down on crime, the rates of filing and solving cases will be further enhanced. Crime in the economic field, particularly swindling cases involving financial affairs, will continue to climb. This is a major characteristic of economic crime during the period of moving over to the market economy, which will not undergo any major changes in 1996. Cases involving gang crime, burglary, drug-taking, and smuggling will still be in a rising trend, and phenomena such as corruption, bribe-taking, and so on will be more severely condemned and punished.

7. The differences between areas, cities and villages, strata, trades, and departments will continue to exist in 1996. Some will even widen to a certain extent. Given the gradual intensification of psychological tolerance among the people of various social sectors, we still cannot rule out the possibility of the occurrence of some partial and individual events arising from the abovementioned differences.

IV. Proposed Countermeasures

1. We will continue to take curbing inflation as the crux of maintaining social stability with a view to strictly controlling the rises of retail commodity prices, particularly the rises of daily necessities. Even though there are preset targets to check the rises of retail commodity prices (approximately 15 percent for 1995 and approximately 12 percent for 1996), it is not really low, still less should we lower our guard when we take into consideration the actual state of unemployment (including apparent unemployment and "latent unemployment") co-existing with inflation and price surges. We would rather appropriately slow down the pace of economic development to check inflation and price hikes.

2. We will further control development speed and prevent various departments and localities from taking the opportunity of the first year of the Ninth Five-Year Plan to arbitrarily set up new projects or make blind

investments. In particular, we should guard against the rebound of speed triggered by the growing demands and the interaction of social, political, and economic factors in the second half of the year (especially in the final quarter). It is anticipated that the economic growth rate for 1996 will be about 10 percent, which is still rapid growth. If we slacken our attention a little, the rebound will probably appear at the end of this year or early 1997 and break through the target of about 8 percent set for the coming five years during the Ninth Five-Year Plan. This will lead to more serious inflation.

3. We will continuously persist in experimenting with large and medium state-owned enterprise reform but, prior to successful trials, we should not be in a hurry to carry it out on a full scale. In experimenting, we must conscientiously consider the interests of ordinary workers, and those of the veteran workers in particular. We must help settle the staff and workers dismissed from bankrupt enterprises or removed from their work places in a proper way so that their basic lives are guaranteed. Before establishing the system of minimum insurance for old age and unemployment relief, we must not simplistically push them toward society or market, otherwise there will be even more numerous and serious destabilizing social factors in the future.

4. We will further readjust the prices of agricultural products and agricultural policy, which include the rational readjustment of cotton purchasing prices and the increase of funds and scientific and technological input into agriculture. We must guard against excessive extortion from peasants in a disguised form under the condition of increased agricultural output, (which includes various kinds of unreasonable apportionment, profit deduction and reserving, fundraising, and so on). The issue of how to arouse peasants' initiative in farming is, in essence, an issue of how to safeguard peasants' interests. The weak position of agriculture in the national economy is related to the fact that peasants' actual income marked time or stood still for many years. The proposed key to solving the problem is that we should not merely ask for grain, cotton, edible oil, and live pigs from peasants, but let them obtain benefits while they are making contributions to the state. To this end, we must continue to increase funds and technological input, and more importantly, also let the large number of peasants participate, in a comparatively fair manner, in the markets of commodities, funds, technology, and manpower, which are taking shape now.

5. With regard to the floating migrant workers who are growing with each passing day, we can only have our eyes on the overall situation of the market economy and reform and opening up and, proceeding from the rational adjustment of urban and rural relationship, cre-

ate for them a favorable, orderly, and free environment for floating and fair conditions for competition while avoiding simplistic administrative restriction or "blocking the flow." Peasants leaving their villages to work elsewhere is the outcome of the contradiction characterized by large population and little land as well as the unsettled relations between cities and rural areas. At the same time, it is an indication of peasants' self-development and their advance toward the market. The current issue is: On one hand, China's process of turning rural areas into cities has seriously lagged behind for a long time, urban infrastructural facilities (water, gas, and power supplies, communication, transportation, and so on) and human facilities (hospitals, schools, and so on) do not keep pace with the growth of urban population, and a lot of state-owned enterprises operate inefficiently which has led to the "overload" of towns and cities. On the other hand, along with the exodus of young peasants in multitude, rural areas themselves also have problems as to how to create the conditions for a sustained development and how to build up a more solid foundation for agricultural development. Obviously, however, the way to resolve these problems absolutely cannot be sought by following the old divided pattern of cities and rural areas. Judging from the major trend, because of the special character of large population and little land and the comparatively low efficiency of agricultural production in China's rural areas, a great multitude of peasants going out to work is inevitable. This will mitigate the serious contradiction of large population and little land and incremental change the pattern of the binary urban and rural relationship.

6. We should augment the intensity of our drive against corruption. In particular, we should intensify the building of a system to combat and guard against corruption, and the practice of hastily winding up the matter must be avoided. In 1995, we took firm control of some serious major cases, and on this basis, we should continue to intensify the anticorruption campaign in 1996. Moreover, we should not just stay in the stage of grasping some typical cases. Our drive to combat corruption and encourage honesty will only yield prolonged results if we shift its nature from "carrying on a campaign" to "instituting a system." Here, enhancing the scientific degree and transparency of managing and operating finance and projects and enhancing the role of the People's Congress, the Chinese People's Political Consultative Conference, various social organizations, media, and public opinion in exercising supervision and practicing criticisms will have a much stronger effect on combating and guarding against corruption than exposing a couple of serious major cases by accident. Meanwhile, with regard to officials and law enforcement personnel involved in corruption and economic crimes of various

kind, they should be severely punished according to the law and not the opposite.

Persons in charge of the research: Jiang Liu, Lu Xueyi, Dan Tianhui

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(Editor: Luo Guifen)

Finance & Banking

PRC: Finance Ministry on Checking Extra-Budgetary Funds

OW2805012796 Beijing XINHUA Domestic Service in Chinese 0857 GMT 15 May 96

[By reporter Fu Gan (0265 0474)]

[FBIS Translated Text] Beijing, 15 May (XINHUA) — The Finance Ministry, the State Planning Commission, the Auditing Administration, the People's Bank of China, and the Supervision Ministry recently issued an emergency circular calling on localities, departments, and units to promptly carry out checks on extra-budgetary funds.

Following the State Council's approval and relay of the "Opinions on Checking Extra-Budgetary Funds" issued by the above-mentioned ministries, commission, administration, and unit and the National Video Conference on Checking Extra-Budgetary Funds, a majority of localities, departments, and units have adopted measures and made mobilization and arrangements for the checking operation. However, some localities and departments have not paid due attention to and have not done enough in the checking operation. Therefore, the above-mentioned ministries, commission, administration, and unit called on leading cadres in localities to attach importance to this matter; to help arrange the in-house check of the extra-budgetary funds at every grass-roots unit; to urge prompt checking; to provide guidance; and to report on and criticize localities, departments, and units that are either slow or perfunctory in making in-house checks of extra-budgetary funds.

PRC: ICBC Allocates Working Capital Loans to State Firms

OW2305112496 Beijing XINHUA in English 0627 GMT 23 May 96

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — The Industrial and Commercial Bank of China (ICBC) has allocated 6.9 billion yuan (831 million U.S. dollars)

in working capital loans to support production in 286 key State-owned enterprises.

Officials from the bank said the money is aimed at easing capital shortages facing the enterprises. The second quarter is usually a busy production season, when enterprises have peak demand for capital.

Just over 200 of the enterprises, located in 50 major cities, have absorbed 5.01 billion yuan of the loans — 72.6 percent of the total.

Bank officials said that major sectors which have been given priority include the metallurgical, machinery, chemicals, petrochemicals, electronics, automobile and light industries.

Most of the money will be used as working capital to organize production. But some enterprises are expected to use it to carry out technical renovation projects.

According to the ICBC, the enterprises were selected on the basis that their products are well-received on the market, they are economically efficient, and they will not default on interest payments.

To ensure the money went to the right places, the bank organized a special group to investigate the performances and capital situations of key state enterprises in over 20 provinces and municipalities.

As China's leading supplier of working capital loans to industrial and communication enterprises, the bank has, since last year, tilted its loans towards the country's 1,000 key enterprises, most of which are large and medium-sized state firms.

Last year it also allocated 6.3 billion yuan (759 million U.S. dollars) in working capital loans to state key enterprises in 50 major cities.

Bank officials said these two batches of loans were arranged by the headquarters of the bank which is compatible with the practice of commercial banks, while on the other hand reflects the reinforced capital management ability of the headquarters.

*PRC: Tax System Ineffective in Preventing Regionalism

96CE0250A Beijing JINGJI YANJIU [ECONOMIC RESEARCH] in Chinese 20 Feb 96 No 2, pp 37-40

[Article by Huang Xiaoguang (7806 5135 1639), affiliated with the Suzhou U School of Finance; edited by Bian Qi (6708 7871); proofread by Yu Hong (1342 4767): "Tax Revenue Reform and Local Protectionism"]

[FBIS Translated Text] Since the 1994 tax revenue reform plan went into effect, many academics have quite

effectively studied and critiqued the reform effectiveness of the new tax system. But while they have produced many penetrating insights, they have also given rise to certain unrealistic confused perceptions. Some have held that: As the old tax system divided central and local tax revenue and expenditure jurisdiction by the subordinate relations of enterprises and institutions, tying enterprise income closely to local tax revenue interests, that meant that localities, in order to increase their revenues, would unavoidably deploy the resources under their control aimed at maximizing their local revenues, blockading markets, and interfering in enterprise operations. So replacing the tax package system with a tax assignment system would eliminate those flaws. As the tax assignment system divides the tax revenue jurisdiction of central and local revenue by tax category, localities would obtain revenue from enterprises whether they were subordinate to them or not, which would make regional blockades no longer really meaningful. (Footnote 1) (He Zhenyi [0149 2182 0001], 1994: "The Effectiveness of the 1994 Tax Revenue Reform and an Analysis of Its Problems," JINGJI YANJIU, 1994, No 4.) But I cannot agree with that view. I hold that as the basic cause of local protectionism was not the tax package system that divided central and local revenue jurisdiction by enterprise subordinate relations, the tax assignment system (at least as promulgated in 1994) cannot eliminate local protectionism. That is mainly as follows:

1. Historically, the division of central and local tax revenue jurisdiction by enterprise subordinate relations began in the early days of the PRC, when it certainly did not produce any severe local protectionism. That was because local spending targets at the time were set and assigned through consultation by the Ministry of Finance (MOF) with all responsible central departments, with localities having no autonomous planning authority, so naturally no interest in paying attention to local revenues. But in 1980, the center instituted a tax revenue system for localities of "divided receipts and spending, with graded responsibility, and separate jurisdiction," granting localities the authority to independently plan local spending, with the center merely assigning localities spending targets for reference, meaning that the real spending jurisdiction came under local control. That is precisely what so sharply stimulated local fiscal management initiative, with the irrational pricing system inducing local governments to invest their financial resources in high-price, high-profit enterprises, which for a time caused an exceptionally severe phenomenon of duplicate investment and reckless construction. In addition, with enterprise management

inseparable from government administration, and enterprise economic efficiency generally poor, in the pursuit of local revenue maximization, administrative intervention and market blockades were often more convenient and effective than other means.

2. The real meaning of the division of central and local tax revenue jurisdiction by enterprise subordinate relations was that the enterprise and institutional income of central enterprises and institutions went to the central treasury budget, while that of local enterprises and institutions went to local treasury budgets. That meant that enterprise income was state enterprise profits and income taxes (including before 1994 state enterprise regulatory taxes), certainly not industrial and commercial [business] tax revenue, whose status in local revenues was insignificant. But in 1990, our 30 provinces, municipalities, and autonomous regions had enterprise income (meaning local state enterprise income taxes, regulatory taxes, profits, energy and transportation priority construction funds, budget regulation funds, farming and forestry taxes, and arable land occupation taxes) (See Table 1) of 39.874 billion yuan, with enterprise loss subsidies of 38.126 billion yuan, which left a balance of only 1.748 billion yuan. (Footnote 2) (This article's tables are all derived from computations based on data in the 1993 *China Statistics Yearbook* China Statistics Publishing House, 1993 edition, and the 1950-1991 *China Fiscal Statistics* Science Publishing House, 1992 edition. As the receipts and spending of responsible local tax revenue organs listed in Table 1 do not include recall [swing-in] funds, gross revenues do not equal the sum of the itemized ones.) But as that, in addition to the other fixed local revenues (in local tax categories such as the salt tax and the vehicle- and boat-use license plate tax), totalling only 6.953 billion yuan, was essentially unable to meet the 213.305 billion yuan in 1990 spending, local treasuries met their spending mainly with the business tax revenues shared with the center. So by 1990, the business tax revenue of our 30 provinces, municipalities, and autonomous regions of 179.56 billion yuan made up 91 percent of the 197.235-billion yuan of local revenue. This shows that China's tax system with the flow tax as the major tax category means that local revenues come mostly from the business taxes shared with the center. And to increase local revenues, local governments have to protect not only local enterprises, but also central ones in their localities. So there are certainly not adequate grounds for the theory that the division of central and local tax revenue jurisdiction by enterprise subordinate relations rigidly ties local government tax revenues to local enterprise finances. (Footnote 3) (Loc cit, Footnote 1.)

Table 1. The 1990 Revenue Makeup of Our 30 Provinces, Municipalities, and Autonomous Regions
(Unit: 100 Million Yuan)

Gross Spending	Gross Revenue	Enterprise Income	Business Tax Revenue	Enterprise Loss Subsidies	Other Fixed Revenue
2,133.05	1,972.35	398.74	1,795.6	-381.26	52.05
	100%	20.2%	91%	19.3%	2.6%

3. The tax package system certainly did not stimulate local government revenue initiative. And as noted above, most local revenues come from business taxes shared with the center. With our sustained and rapid economic growth and the general yearly decline in our state enterprise economic efficiency, business tax revenue and its steady growth are of crucial importance to local revenues. Local governments are all unwilling to share it with the center, often hiding it in enterprises through concealing income and artificially lowering revenue growth rates to pay less into central revenue, and using means such as fundraising and apportionment to keep such revenue. That has turned shared revenue growth into actually unshared local revenue. Some call such revenue "nonstandard public revenue," having determined that it makes up about 30 percent of local budgetary receipts. (Footnote 4) (Pan Gang [2868 4854], 1995: "On the New Standard for Public Receipts and Spending — Studies and Thoughts On Several Cases of 'Nonstandard Public Revenue' in Chinese Townships," JINGJI YANJIU 1995, No 6.) In 1988, while the center instituted various forms of tax revenue packages for localities, hoping to raise local government initiative to increase revenues through forms such as increasing revenue responsibility and increasing payment responsibility, they were ineffective. Certain rich regions with lower sharing ratios even created the method of revenue warehousing based on planned revenues, which created a sharp loss of central revenues. At the end of 1993, when the center announced the 1994 tax assignment plan, localities, to increase their 1994 central-to-local tax refund base, made a concentrated tax revenue collection effort before the end of the year, so that 1993's local revenues grew amazingly. Data for the first 10 months of 1993 show that revenues throughout China had met 80.7 percent of plans, up 15.6 percent from the same period in 1992. (Footnote 5) (See JINGJI RIBAO, 6 December 1993.) While that average monthly rate of meeting revenue plans of 8.07 percent would have just fulfilled 1993 revenue plans, the real 1993 revenues were 113.1 percent of plans, up 23.2 percent from 1992. (Footnote 6) (See ZHONGGUO CAIJING BAO, 15 March 1994.) So the 32.4 percent of planned 1993 revenues that was

raised in November and December 1993 was a monthly average of 16.2 percent, double the average for the previous 10 months. And while that left the first impression of fraud, which view MOF officials also publicly expressed, the fact was that 1994 revenues continued to grow sharply, up 19.2 percent from 1993. (Footnote 7) (See ZHONGGUO ZHENGQUAN BAO, 8 March 1995.) That fully showed the definite local potential to increase revenues. And while it was achieved through central means such as raising planned tax revenue bases, eliminating tax reductions and exemptions, tightening financial inspection, and intensifying tax collection, the local potential to increase revenues was an indisputable fact.

4. But the 1994 tax assignment reform adjusted the distribution order of tax revenue funds between the center and localities. The change from the past tax package system in which the center was dependent on local tax revenue payments to balance its receipts and spending [budget] made central finance much more dominant, raising the ratio of central revenue to national revenue from 40 percent to 60 percent. Most tax sources reverted to the center, with odd and scattered minor ones left to localities, so that local finance lacks major tax categories, as well as the fiscal might for graded fiscal management. Meanwhile, the center can also directly adjust the distribution ratio of fiscal funds in all areas through its transfer payment system. But as this adjustment of the financial distribution order was carried out while the conversions of government functions and enterprise operating forces were relatively lagging, with the centralization of power too focused on amassing financial might, it was bound to touch off a strong response from local governments that already had graded fiscal management authority. 1) Struggles with the center for higher retention ratios, subsidies, and investment projects had already appeared by the first half of 1995, with all areas having their own grounds for them. (Footnote 8) (Shi Wei [0670 3555], 1995: "The Regional Gap and Development Prospects for China's Economic Reform," JINGJI YANJIU, 1995, No 9.) 2) With grassroots enterprises and rural areas continuing

their fundraising and apportionments, the ratio of local "nonstandard public revenue" to all public revenue is rising yearly. (Footnote 9) (Op cit, Footnote 4.) In short, local protectionism is tenaciously appearing in either new or old forms.

5. The financial system is the basic one that sets the pertinent financial property rights divisions between the center and localities and among local governments at all levels. In fact, it deals with the division of fiscal funds in all regions. China's existing order of fiscal fund distribution inequality (See Tables 2 and 3) means that there are fiscal fund distribution conflicts among all regions, with local protectionism being the outward manifestation of these conflicts. Unless these conflicts are resolved, local protectionism will be hard to eliminate. Our 1994 fiscal [tax revenue] reform set up a system of central transfer payments to local revenue, including the two items of central tax refunds and specific subsidies to localities. The central tax refunds to localities use 1993 local fiscal vested interests to

determine the refund base, as well as being linked to the consumption and value-added tax growth of all areas. So for every 1 percent growth of value-added and consumption taxes in each region, the central tax refunds to localities grow 0.3 percent from the base, meaning that the center's tax refunds to localities have certainly not changed the former unfair distribution order of fiscal funds to all areas. And while the center's specific subsidies to localities are determined by the center's macroeconomic regulation and control policy, one point is clear, or that shrinking the regional gap is a set central policy, which the central leadership has repeatedly emphasized recently. So with the specific subsidies from central revenue being invested more in central and western China, the unfair distribution order of fiscal funds in all regions is going to continue and even worsen, with the subsequent regional conflict and local protectionism likely to grow even more glaring and serious.

Table 2. The 1991 Revenue Balance and Gap for All Regions. (Unit: 100 Million Yuan)

	Receipts	Spending	Receipts- Spending Gap		Receipts	Spending	Receipts- Spending Gap
Beijing	89.77	80.73	9.04	Hubei	95.09	99.53	-4.44
Tianjin	58.09	47.47	10.62	Hunan	96.13	101.84	-5.71
Liaoning	161.54	151.45	10.09	Sichuan	148.35	162.86	-14.51
Shanghai	191.88	101.52	90.36	Tibet	0.64	15.46	-14.82
Jiangsu	143.29	128.18	15.11	Guangxi	61.47	75.89	-14.42
Zhejiang	121.26	97.32	23.94	Ningxia	8.30	17.20	-8.9
Hebei	99.30	97.30	2	Xinjiang	26.47	52.53	-26.06
Shanxi	72.76	76.89	-4.13	Inner Mongolia	39.40	66.62	-27.22
Anhui	54.50	61.57	-7.07 (1990)	Gansu	39.98	51.32	-11.34
Jiangxi	50.55	64.68	-14.13	Qinghai	8.79	18.23	-9.44
Henan	104.73	108.32	-3.59	Yunnan	99.78	110.82	-11.04

Table 3. The 1990 Per Capita Revenue Balance and Gap for All Regions (Unit: Yuan Per Person)

Region	Per Capita Receipts	Per Capita Spending	Per Capita Receipts-Spending Gap	Region	Per Capita Receipts	Per Capita Spending	Per Capita Receipts-Spending Gap
Beijing	702	633	69	Hubei	143	156	-13
Tianjin	508	455	53	Hanan	118	134	-16
Shanghai	1,180	566	614	Sichuan	111	132	-21
Jiangsu	201	149	52	Tibet	8	582	-574
Zhejiang	244	192	52	Ningxia	143	318	-175
Liaoning	326	308	18	Xinjiang	142	313	-171
Hubei	132	142	-10	Guangxi	112	154	-42
Shanxi	185	196	-11	Inner Mongolia	152	282	-130
Arhui	96	108	-12	Gansu	152	204	-52
Xiangxi	107	133	-26	Qinghai	162	382	-220
Henan	99	106	-7	Yunnan	208	243	-35

As stated above, I hold that local protectionism is a concentrated expression of the lack of financial separation between enterprise management and government administration in the course of market-oriented reform while government functions and enterprise operating forces have not yet been promptly converted, an outward manifestation of the regional conflicts touched off by the unfair distribution of fiscal funds to all areas. Unless these factors are eliminated, it will be impossible to eliminate local protectionism. In our current establishment of a socialist market system, practicing a modern enterprise system, converting government functions, and shrinking the regional gap are our current economic reform priorities. So as to our fiscal system, since the institution of our 1994 tax assignment system, ways to further intensify reform in these areas need to be conscientiously considered.

PRC: Midwestern Region Urged To List More Companies

OW2405044296 Beijing XINHUA in English
0341 GMT 24 May 96

[FBIS Transcribed Text] Beijing, May 24 (XINHUA) — Midwest China has been urged to list more companies on stock exchanges to fuel economic growth.

And if China gets the third stock exchange that experts have called for it should be sited in the central and

west hinterland to help create a Shanghai-type boom, a leading economist said.

"Only about 25 percent of our more than 9,000 incorporated firms and a small proportion of the 360 or so listed companies are in midwest China," noted Lu Yonghua, an expert with the State Commission for Restructuring the Economy.

"Without benefiting from the securities market, it's hard for midwest China to boost economy dramatically," Lu explained, "The central government cannot pour large amounts of capital into those regions, because of limited revenue sources."

"Midwest China should catch up with the coastal regions in direct fund-raising by listing more companies on the two stock exchanges," he pointed out.

Those companies play a remarkable role, which can hardly be overestimated, in promoting economic growth, expanding those regions' influence across the country and exposing them to the world.

In developing the securities market and incorporated firms, China should give top priority to the hinterland provinces and autonomous regions, he said.

"If a third stock exchange is to be set up, it should be seated in the central and west parts," he said, "so that securities market there corresponds with the fact

that these parts account for 41 percent of the country's economic strength."

China's first two stock exchanges are in Shanghai, in east China, and Shenzhen, a special economic zone in south China - both booming, prosperous cities.

"And we should pay more attention to selecting more outstanding enterprises with great potential in midwest China to issue new shares," he said.

Lu emphasized that the central and west parts of the country have better opportunities to develop and make use of the securities market because China has shifted focus of long-term economic strategy to those underdeveloped regions.

Agriculture

PRC: Nation Expects Bumper Summer Grain Harvest

OW2605141796 Beijing XINHUA in English
1357 GMT 26 May 96

[FBIS Transcribed Text] Zhengzhou, May 26 (XINHUA) — China is to have a bumper harvest for summer grain despite unfavorable climatic conditions.

Effective disaster relief measures taken by all parts of the country have played a key role.

A national agricultural conference held in Jiyuan City of central China's Henan Province has predicted that provinces and autonomous regions such as Henan, Shaanxi, Gansu, Shanxi and Ningxia are expected to have big output increases in summer grain. A record bumper harvest year, the second of its kind in the history, is expected for rapeseed.

Liu Chengguo, vice minister of agriculture, told the conference that there still exists some unfavorable factors for the summer harvest which will start in some 10 days in north China.

He urged agricultural departments in north China to attach importance to late-stage management, and that the double-harvest rice areas in south China should do a good job in field management.

The vice minister also urged effective measures be taken to encourage farmers to grow more summer cotton, since cotton growing areas have dropped sharply this year.

Speaking of the lingering situation in wheat production, he said that it is crucial to streamline the national seed market, and action must be taken to crack down on all illegal activities in seed trading.

PRC: Statistics Bureau Predicts Increase in Summer Grain

OW2805014896 Beijing XINHUA in English
0123 GMT 28 May 96

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — China's grain production for the summer season is expected to rise about two percent over last year, the State Statistics Bureau has announced.

The bureau conducted a survey in 11 provinces, which are the country's major producing areas for summer grain and said that only Shandong Province is likely to produce less grain than last year.

The bureau said that the growing area of China's summer crops increased by 700,000 hectares over last year, a rise of two percent.

Meanwhile, the decision by the central government to raise the purchase prices of grain also aroused farmers' enthusiasm on farm work, the bureau said.

Another reason for the cheerful forecast is that China has also taken effective measures to combat drought, greatly reducing the harm of droughts caused to crops, the bureau noted.

The bureau also said that China's rape seeds output will go down this year because of overcast and low temperatures in March, the key period of time for the crop to grow.

PRC: Rural Economy 'Running Smoothly'; Food Supply Up

OW2905092796 Beijing XINHUA in English
0903 GMT 29 May 96

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — China's rural economy is running smoothly with a bumper harvest being expected this summer, and the country's food supply well secured.

According to an official with the Ministry of Agriculture, there will be a good harvest for grain this summer, as long as the wheat planting areas of northern China are free of serious natural disasters in coming weeks.

Though a drought and rainy weather attacked the north and south this spring, the growing of summer grain and oil-bearing crops was protected, the official said.

He added that this year will see the second record output for oil-bearing crops.

He attributed the coming harvest to the country's abundant supplies of aids to boost production ranging from chemical fertilizers to plastic sheets, and to increased

financial input in the sector. As a result the area under improved crop varieties was expanded, and farmers began to apply more agricultural technology to grain production than ever before.

Planting areas for paddy fields, wheat and maize were expanded across the country.

Thanks to a steady growth in rural economy, Chinese people had a more enriched food supply this year. In the first quarter, the country produced 146 million pigs and 1.57 billion domestic fowl, up 13.7 percent and 21.3 percent, respectively, over the corresponding period last year.

There was also a combined output of 12.85 million tons of meat, beef and mutton, 13.5 percent higher than the same period of 1995.

In the January-April period, the fruit production generated a year-on-year increase of 16.1 percent, hitting 5.24 million tons. And it is estimated that the area under vegetables this year will climb to 9.3 million hectares, 467,000 ha more than last year.

A galloping growth was also maintained in the country's rural industry since the start of this year. During the first four months, China's township enterprises turned out an increase of 225.3 billion yuan in output value, up almost 30 percent over the same period of 1995. The sales volume stood at 934.3 billion yuan, which is an year-on-year increment of 33.2 percent.

A statistics report released by the State Statistics Bureau shows that the farmers' income reached 553 yuan in the first quarter, realizing an increase of 12 percent at last year's prices.

PRC: Farmland Reclaimed From Developers
OW2905044596 Beijing XINHUA in English
0154 GMT 29 May 96

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — China has dealt with 19,000 cases, saving 5,000 hectares of land in a major crackdown on local officials who overstepped their power on land approval.

The country has been intensifying efforts to recover farmland that has been turned over for development and subsequently left unused.

A total of 60,000 hectares of land were found to have been taken out of cultivation since 1992 but left idle, China Daily said today.

Some 24,000 hectares were reclaimed for farming thanks to a newly-completed investigation launched last year by the State Land Administration (SLA).

During the course of the investigation, 9,000 hectares of idle land was ordered by local land agencies to be developed within a certain period in accordance with their original requisition purposes; 2,000 hectares will be used for other projects, while the rights to another 4,000 hectares of land will be taken back by land authorities, SLA officials said.

The national land-use check, the first in four years in the country, was jointly conducted by local authorities and investigating offices headed by leading local government officials.

The investigation also helped local authorities strengthen their enforcement of land laws that deal with local officials overstepping their power on land requisition.

This misuse of power was regarded as a major cause of the shrinkage of farm land in recent years and expansion of construction of unapproved golf courses and luxury villas.

While uncovering 29,000 cases involving 23,000 hectares of land where local officials over-stepped their bounds, the investigation also looked into other illegal land-use involving 56,000 hectares of land.

So far, 19,000 cases have been handled, and more than 70 percent of other illegal land-use projects have been dealt with.

The SLA is using local authorities to continue the crackdown on illegal land-use, put farm land under special protection as required by the central government and make the best use of the country's limited land resources.

In urban areas, the random approval and construction of development zones by local authorities must be strictly controlled, the SLA said.

In addition, the use of farmland for private housing by farmers has to be brought under control.

***PRC: Prospects for Anhui Peanut Output, Market**
96CE0178A Beijing ZHONGGUO YOUJIAO
in Chinese Dec 95 No 4, pp 78-80

[Article by Guan Shuqi (4619 0647 0366) and Yang Jianqun (2799 1696 5028) of the Anhui Provincial Agricultural Department, Li Junshan (2621 0193 1472) of the Bochu Lake Farm Experimental Station of Anhui Province, and Shen Xinyu (3088 2450 3768): "Anhui Province's Peanut Production and Market Situation and Reflection"]

[FBIS Translated Excerpt] [passage omitted] Production and Planting System

Peanuts are one of the three major oil-bearing crops of Anhui Province. It has been planted for over 400 years. It started north of the Hualhe River and later gradually moved to the Changjiang River Basin. In recent years, peanut production was rising because the mature period was favorable, and economic results were high. Between 1989 and 1991, the average annual planting acreage of peanuts reached 1,676,000 mu, the per mu yield was 135 kg, and gross output was 227,500.00 tons, accounting for 20.84 percent of the gross output of all oil-bearing crops. Between 1992 and 1994, the average annual total acreage reached 2,278,000 mu, the per mu yield was 165.8 kg, and gross output was 375,400 tons, accounting for 25.5 percent. The average annual total acreage, per-mu yield, and gross output were up by 35.5 percent, 22.8 percent, and 65 percent respectively. [passage omitted]

Peanut Market and Sale

Peanuts are a crop of a relatively high commercial value. According to the surveys of foreign trade departments, peanut wholesale and retail markets, production departments, and peasant households, major peanut producing areas north of the Hualhe River, in eastern Anhui, and in the Jianghui hilly areas sell most of their peanuts through foreign trade and exports and use the local market as a secondary marketing channel; scattered peanut producing areas in the mountainous areas of western and southern Anhui sell most of their products on the local market; and all other peanut producing areas sell their products mainly through domestic channels, not exports. As far as entire Anhui Province is concerned, the domestic market is the primary channel and export is secondary. Preliminary surveys and estimates show that in 1994, the total peanut output of Anhui Province was 398,000 tons (annual report), of which, 179,100 tons (45 percent) were kept by peasants for their own use and 218,900 tons were circulated as commodities. In circulation, 9,290 tons of raw peanuts (annual report, 13,200 tons of raw peanuts in shells), accounting for 6 percent, were sold through the provincial foreign trade department; about 132,400 tons (60 percent) were sold to Shanghai, Jiangsu, Zhejiang, and other provinces; and 74,300 tons (34.4 percent) were sold locally. Anhui Province has formed a national peanut wholesale and retail market centered around Outang Township of Dingyuan where merchants inside and outside Anhui Province are gathered to do business. A fledgling social service system which coordinates production, processing, and marketing has been established. At the peak season of sales, daily transaction volume is close to 1,000 tons.

Peanuts are considered one of Anhui's major export goods which earns over 5 million of foreign exchange

per year. The volume of exports managed by the foreign trade department of Anhui Province fluctuates greatly from one year to another. A relatively stable production, supply, and marketing channel and foreign markets have never been established. As a result, the cost of foreign exchange is high. The export volume of raw peanuts was 15,000 tons in 1992, 5,800 tons in 1993, and 9,290 tons in 1994. The economic returns of exports were less than that of neighboring provinces such as Shandong, Henan, and Jiangsu. The main reason is the issue of added value in addition to quality. Anhui's self-managed exports are based on the primary product of raw peanuts. In 1994, the total value of raw peanut export of Anhui Province was \$5.43 million, the export of finished peanut products was only \$340,000.00, amounting to 0.03 percent. While exporting raw peanuts, Shandong Province put more stress on multiple and precision processing, substantially increasing the added value of products. The annual export of finished products of Shandong Province accounts for over 60 percent of the national figure. Currently, peanut processing in Anhui Province is still based on the traditional method of processing peanut candy. New products are being developed. For instance, with the help of relevant scientific research units, Sun Zeliang of the Sixian County Grain Bureau established the Fuduole Beverage Ltd. and developed a peanut drink called "the King of Beverage." In 1994, the production scale of this product reached 50,000 tons in annual output and 50 million yuan in output value. It is a hot item on the domestic market. As for the traditional export goods such as peanut candy bars and peanut butter puffs, it is necessary to raise the processing and technological levels to win back the market.

Problems and Solutions

A. Peanut Production

1. Transform low- and medium-yield fields and increase the degree of intensive farming. In Anhui Province, the standards of peanut production are not high, output is not stable, low- and medium-yield fields make up a large area, and the fields that produce less than 150 kg account for almost 60 percent. The per mu yield of Lingbi County, where production is intensified, is as high as 257.7 kg while that of the two mountainous areas in southwestern Anhui is less than 100 kg. Output is not stable. It fluctuates substantially from one year to another. In 1993, the average per mu yield was 191.6 kg, an increase of 80.8 percent from 1991. Because of this, it is imperative to carry out scientific transformation of low- and medium-yield fields, to reform the farming system, and to expand intensified production to increase per-mu yield and total output.

2. Develop peanut production and enlarge the planting area. Anhui Province now has 2.7 million mu of planting area. Studies show that there is a lot more room for expansion. Considering the planting layout, the Yanjiang and Huaihe River banks, the alluvial plain of formerly flooded areas of the Huanghe River, the divide of Yanjiang and Huaihe Rivers, and the Yanjiang Delta are areas most suitable for growing peanuts. Some fields in these areas need to be restored and expanded. Judging from the angle of combating natural disasters, Anhui Province has many weather disasters including frequent droughts and floods. For instance, in 1994, summer drought plus autumn drought caused a serious shortage of water in the spring, and rice production which required more water was adversely affected throughout the province. Peanuts on the other hand are more adaptable and resistant to drought. Areas which are designated as level three water shortage areas or areas where water supply cannot be guaranteed may consider switching to peanuts in the future.

B. Scientific Research on Peanuts

1. Pay attention to scientific and technological resources on peanuts and strengthen scientific research. The scientific and technological force is very weak at the provincial level. There is no scientific or technological studies or projects at the provincial level. Peanut is a major cash crop, but it does not have its proper place in the planting system. As a result, peanut research lags behind production. This is reflected in the following areas: 1) Peanut variety is outdated and many varieties are mixed. 2) The current planting pattern is no longer suitable for production and development. 3) Major peanut producing areas are suffering from the increasingly serious infestation of the underground pest of grubs, which is causing more and more damage every year. Because of this, Anhui Province must pay attention to scientific research on peanut. First, Anhui should start some export-oriented agricultural research projects and increase the input of human and material resources in peanut research. In addition to focusing on the scientific study and production of major crops such as rice, wheat, and rape, Anhui should increase input in high-quality and high-return farm products such as peanut and selectively breed or import new varieties of peanuts that can adapt to different ecotypes and meet the needs of both domestic and foreign markets. Second, Anhui should establish improved variety cultivating centers in major peanut producing areas to speed up the upgrading of peanut varieties in the province. Third, Anhui should strengthen the bond between scientific research and production practice, face the reality of production, study and provide a coordinated planting pattern which can adapt to the

changes of the planting system and guarantee high quality, high return, and high yield.

2. Strengthen the bond between production, scientific research, and foreign trade. Presently, the foreign trade of peanut in Anhui Province has the following problems: 1) Information is not up-to-date, and many production and management decisions are made blindly, causing production to be divorced from sales. 2) Quality is not high and standards vary, making it difficult to hook up to international standards. 3) Anhui's export is based on raw peanuts and lacking in products of multiple and precision processing, resulting in a low foreign exchange rate and poor economic results. To expand the domestic and foreign markets of peanut products, Anhui Province should do the following: 1) Strengthen superior coalition. Foreign trade departments should provide scientific research departments with market information. Scientific research departments should provide production departments with readily marketable varieties and coordinated planting patterns. Production departments should organize production in accordance with foreign trade information. Scientific research and production departments should work together to research and develop peanut products, and gradually establish an export-oriented agricultural system which is headed by foreign trade departments, based on production departments, and dependent upon scientific research departments. 2) Establish an effective information network to collect, sort, and analyze relevant information in a timely manner and to reflect such information to production departments. 3) Establish export production bases in major peanut producing areas, insure unified supply of seeds, unified technical guidance, and unified quality standards, and support the development of export production bases with economic levers such as credit, tax, and price.

C. Peanut Market

Strengthen market management and enliven foreign trade operations. One of the problems in the peanut market of Anhui Province is that the buy and sell channels are chaotic. Individuals, supply and marketing departments, grain and edible oil departments, foreign trade departments or their agents all take part in this great war of "multiple directions." It is difficult to unify quality and standards. There are too many middle men, increasing the cost of export and encroaching upon the interest of farmers. The second problem is that there is too much restriction on the right to manage foreign trade and export, limiting the ability to export. The solutions are as follows: 1) Strengthen market management; establish an order for fair competition; build wholesale peanut markets in major producing areas and administrative centers; and unclog production, supply, and mar-

listing channels. 2) Conduct a multidirectional, multi-level analysis of the world peanut market to enlarge the export channel. 3) Increase support for the export of farm products and establish the risk absorbing mechanism. Anhui Province should establish minimum protective prices for farm products as well as special funds for export production and development to help increase the ability of producers and managers to combat natural disasters and survive risks on the domestic and foreign markets and prevent production from fluctuating violently. 4) Enlarge the self-management right to import and export, develop local trade with foreign countries, optimize the allocation of resources to meet the needs of the market economy and quickly hook up to the international market.

PRC: Hainan Becomes Top Vegetable, Fruit Supplier

OW2905092196 Beijing XINHUA in English
0847 GMT 29 May 96

[FBIS Transcribed Text] Haikou, May 29 (XINHUA) — Hainan, China's largest special economic zone, has become the country's leading supplier of vegetables and fruits.

The province has 100,000 hectares of vegetable plots, which are expected to produce more than one million tons this year. Most of the vegetables will be sold to other parts of the country as well as Hong Kong and Macao.

According to Chen Suhou, deputy governor of the province, Hainan began to form a package of vegetable

supply services, ranging from production, processing and transport to marketing in the early 1990s.

More and more farmers have learned to arrange their production in line with market needs.

PRC: Shandong Cattle-Raising Plan Passes Appraisal

OW2705083196 Beijing XINHUA in English
0652 GMT 27 May 96

[FBIS Transcribed Text] Jinan, May 27 (XINHUA) — A project for large-scale cattle raising by improving technology has passed appraisal by a group of experts in this capital of east China's Shandong Province.

The project, co-sponsored by the State Science and Technology Commission and the Ministry of Agriculture, is part of efforts to realize the goal of increasing China's meat supply by 10 million tons by the year 2000.

Currently, the project is being carried out simultaneously in the provinces of Shandong, Henan and Hebei. Investment in Shandong will reach six million yuan (about 720,000 dollars).

Shandong technicians will improve technology on cattle farms and industries related to the raising of cattle, said local agricultural officials.

Technology is expected to contribute 55 percent of the increase of beef production, up from present 30 percent.

East Region

PRC: Jiangsu's Chen Huanyou Views Crime Crackdown

OW2705020896 Nanjing XINHUA RIBAO in Chinese
13 May 96 p 1

[By Shen Gongxuan (3088 1362 6513) and Liu Shoutang (0491 1108 2717)]

[FBIS Translated Text] On 12 May, Chen Huanyou, secretary of the Jiangsu provincial party committee, who just returned from a foreign journey, went to Suzhou in the company of Yang Xiaotang, member of the provincial party committee standing committee, vice governor, and secretary of the Suzhou city party committee, and Li Mingchao, member of the provincial party committee standing committee, secretary of the province's Political Science and Law Commission, and director of the provincial public security department, and inspected the "stern crackdown" action in Suzhou City. There, he called on a number of police stations and security checkpoints, encouraging public security policemen and armed police force officers and soldiers. He also visited the construction site in the industrial zone, listening to the opinions of foreign businessmen and local workers on the stern crackdown action. He set forth requirements for the intensive crackdown on crimes in the whole province: Further deepening people's understanding of the struggle, strengthening leadership, mobilizing the masses, taking more effective actions, actually making people feel safer and live and work more happily and peacefully, and creating a benign law-and-order environment in the whole province for reform, opening-up, and economic construction.

After listening to the work report by Pan Guoqing, director of the Suzhou City Public Security Bureau, on the situation of "stern crackdown" in the city, Chen Huanyou fully affirmed that the Suzhou city party committee, city government, and public security components assumed a resolute attitude, took effective measures, did solid work, and achieved substantial results in carrying out the central instructions and the work arrangements made by the provincial party committee and the provincial government. The situation in the "stern crackdown" struggle is good. He said: A good situation has been created in the whole province's "stern crackdown," and the campaign is developing healthily toward the expected target. The local party committees and governments in all parts and at all levels of the province attach great importance to the anti-crime struggle, and all principal party and government leaders personally attended to this matter by arranging the work and organizing the forces. This is completely in keeping with the central instructions and the requirements of the provincial party

committee and the provincial government. However, we must also be aware that this is just a good beginning, and a great number of arduous tasks have yet to be fulfilled. We must always keep ourselves sober-headed, fully understand the arduousness and complexity of the struggle, continue to raise the consciousness of leaders at all levels, and actually "use both hands to grasp the work and keep both hands firm in handling the work." He pointed out: The party central leadership and the State Council attach great importance to the maintenance of law and order in society and the work of maintaining social stability. The central leading comrades stressed many times that a principle issue for testing and evaluating the political consciousness of leaders at all levels is to see whether they really attach great importance to law and order in society and to the ongoing "stern crackdown." The party committees and the governments at all levels in this province, specially their principal leaders, should deeply understand the central instructions, conscientiously carry out the action arrangement made by the central leadership, maintain a high degree of ideological and political uniformity with the central party leadership, and take the initiative in doing a good job in maintaining social stability and preserving law and order. In recent years, great results have been achieved in reform, opening-up, economic construction, and various social understanding in this province. A major reason for the achievements is that the provincial party committee, the provincial government, and the party committees at all levels of this province have been correctly handling the relationship between reform, development, and stability, and have created a benign social and political environment. Practice shows that the more advanced our reform and opening-up are and the more developed our economy becomes, the more necessary it is for us to pay attention to law and order and the work of maintaining social stability. This is a major point in our successful experience during the period of the Eighth Five-Year Plan, and is also a major principle that we should adhere to over a long period to come. Principal party and government leaders should bear general responsibility. Principal party and government leaders in a province, in a city, in a county, in a township, and in a village should be responsible for "boosting the wealthiness and guaranteeing the people's safety" in the areas under their leadership. Principal leaders in various institutions, factories, mines, schools, departments, and units should also take the initiative in maintaining public order and keeping social stability. In particular, at present, law-and-order problems have become more prominent, so they should fully understand the importance of the ongoing "stern crackdown" struggle, show a strong sense of responsibility to the party, to the people, and to the laws in care-

fully organizing the actions, and ensure that the struggle will achieve an obvious results in eliminating crimes.

Chen Huanyou stressed that the key to the stern crackdown lies in "sternness." The law enforcement and judicial departments must seriously enforce laws in all links of handling criminal cases, and should actually carry out the principle of "severely and rapidly" punishing criminal offenders who seriously jeopardize public security and increasing the crackdown intensity. Superior force should be concentrated in the anti-crime actions in order to rapidly crack a number of major cases, catch a number of criminals at large, destroy a number of criminal gangs, and severely punish a number of major criminal offenders. In the struggle, action should also be taken to promote the building of socialist spiritual civilization without letting the opportunity slip, and great efforts should be made to eliminate ugly social phenomena. In particular, resolute actions should be taken to crack down on such criminal activities as drug consumption and trafficking, prostitution, and the production and sale of pornography. Actions should be taken wherever such things appear so that they can be thoroughly eliminated in our cities and rural towns and the public conduct can be purified. Capital punishment must be meted out to serious criminals who have earned the bitter hatred of the people, and no lenience can be shown to them; otherwise, we will become irresponsible to the people and commit a dereliction of duty.

Chen Huanyou pointed out: The broad masses constitute the sources of strength in our reform and construction. In the stern struggle against crimes, we must fully mobilize the masses and rely on the masses. Our mobilization and organization among the people should be both extensive and intensive. Patriotic and moral education should be conducted among the people. The people should be encouraged to be willing to help each other, to be ready to take up the cudgels for justice, and to actively provide information against crimes. If the masses are really mobilized, criminals will find nowhere to hide up and will become targets of everybody's attacks. Thus, our stern anti-crime struggle will enjoy a solid mass foundation.

Chen Huanyou required that the stern crackdown be closely linked with crime prevention. Social forces in all walks of life should be well organized to guard against crimes. In particular, the management of the floating population and temporary residents should be improved. Those who commit minor crimes, especially juvenile delinquents, should be more effectively educated and reformed. The responsibility system for cadres to manage public security should be better implemented. Grass-roots leading bodies and party organizations should be strengthened and their ability to organize the masses to

maintain local law and order should be increased. This will lay a solid foundation for consolidating the results of the anti-crime campaign and guaranteeing the long lasting peace and order.

Chen Huanyou visited the Public Security Bureau of Suzhou City and the Jinhua Security Checkpoint and met the policemen and armed police soldiers there. Wherever he went, he cordially shook hands with policemen and expressed gratitude for their hard work. He encouraged the policemen to carry forward the spirit of being fearless and fighting bravely in the anticrime struggle, and hoped that they would successfully fulfill the glorious task the party and the people assigned to them. He also visited the construction site of the Suzhou Industrial Zone and listened to the opinions of foreign businessmen and local workers on the anticrime campaign. He told a foreign businessman that we were creating a better investment environment for you through the stern crackdown and you would have greater confidence in making investment here for our economic development.

PRC: Zhejiang To Crack Down on Crimes

OW2505064196 Hangzhou ZHEJIANG RIBAO
in Chinese 30 Apr 96 p 1, 3

["Province Sets Out Plans for 'Stern Crackdown'; Li Zemin, Si Daxiao Speak" — by Reporter Shen Jianbo (3088 1696 3134)]

[FBIS Translated Text] In line with the central authorities's unified plan for launching a crackdown on crime, a recent provincial meeting on the "stern crackdown" decided to unfold a province-wide crackdown on serious criminal activities in the next four months, beginning in April.

The guiding thought for this struggle will be to adhere to the policy of severely and promptly dealing with, according to the law, offenders who pose a great threat to public security, to mobilize and rely on the masses in dealing severe blows to serious criminal activities, to vigorously solve problems of public order that have aroused strong popular resentment, to resolutely deflate the arrogance of criminal offenders, and to effectively prevent the resurgence of serious criminal cases and quickly solve the problem of chaotic public order in some areas. We should undertake a general grassroots examination to advance the "stern crackdown," and we should use the "stern crackdown" to intensify general examination and grassroots infrastructure development to effectively safeguard social and political stability and ensure continued stability in the province's public order.

Li Zemin, secretary of the Provincial Party Committee, Si Daxiao, member of Provincial Party Committee

Standing Committee and secretary of the Political and Legal Commission, Lu Zushan, member of the Provincial Party Committee Standing Committee and Secretary General, and Vice Governor Lu Songting attended the meeting. Also present were officials of the city and prefectural party committees in charge of law enforcement and judicial affairs, leaders of the political and legal commissions, officials in charge of provincial judicial departments, and the General Office and Propaganda Department of the Provincial Party Committee.

Li Zemin said: This is an important meeting for promptly implementing the central authorities's plans for vigorously implementing the "stern crackdown" and for safeguarding public order and social stability. Top leaders of the party and governments at all levels must organize the "stern crackdown" well in line with the requirements of resolute attitude, suitable plans, effective measures, resolute implementation, and good results. Localities must unify their thinking and be fully aware of the special importance of unfolding the "stern crackdown." Organizing and implementing a "stern crackdown" promptly nationwide represents a major policy decision adopted by the CPC Central Committee based on today's public order conditions. It is a decision of extremely great political significance for solving the ongoing serious problems of public order, dealing severe blows to serious criminal activities, effectively safeguarding security and public order, and creating good public order to make a good start in implementing the Outline of the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Target for the Year 2010. This is also a test of whether leading party and government cadres at all levels, both in terms of ideology and action, truly pay attention to politics and truly adhere to the policy of "attaching equal importance to both and being careful not to emphasize one and neglect the other."

Party committees and governments at all levels as well their top leaders must be fully aware of the great political significance of this struggle, enhance their sense of political responsibility, and take solid actions in implementing this important decision of the Central Committee to successfully accomplish this struggle. In doing so, we will prove to the broad masses of the people that the party and government are fully capable of improving public order and creating an environment of good public order for them.

Li Zemin said: Localities must organize the "stern crackdown" well in accordance with the policy of promptly and severely dealing with offenders. First, we must give prominence to what is important and intensify the crackdown. We should focus on cracking

down on violent crimes, robberies, and especially crimes committed with firearms or by criminal syndicates. At the same time, earnest efforts must be made to investigate crimes related to drug trafficking, trafficking in firearms, the abduction and sale of women and children, and thefts that have caused great harm to the masses. In the light of prominent public order problems in their respective areas, localities must implement effective measures and make concentrated efforts to implement the crackdown.

Vigorous steps should be taken and concentrated efforts be made in areas, spots, and locations plagued by chaotic public order, and we should do all we can to produce marked results in halting conspicuous criminal activities and solving prominent public order problems. We should further intensify the crackdown and firmly implement the policy of "promptly and severely dealing with offenders in accordance with the law" and show no mercy to serious crimes, especially crimes involving criminal syndicates. We should ensure efficient implementation of the crackdown and strike the criminals with accuracy and force. Second, we should unify our thinking in law enforcement and work together in harmony. Law enforcement and judicial departments must bring into full play their functions and coordinate their efforts in implementing the "stern crackdown." They should fully employ the law as their weapon, earnestly enforce the law, put a stop to the non-observance and lax implementation of laws, ensure that law-breakers are not allowed to go unpunished, put an end to buck-passing and procrastination, and see to it that offenders of serious crimes are dealt with promptly and severely in accordance with law. Law enforcement and judicial departments at all levels must step up coordination and supervision to ensure the "stern crackdown" is intensified in a sound manner.

Third, we must handle things in strict accordance with law and pay attention to social impact. We must enforce the law strictly and in a civilized manner to produce good political and social results. By combining punishment with leniency, we should punish leniently according to law those criminals whose offenses are relatively minor and do not pose a great threat to society, or who surrender themselves to the authorities and make a full confession of their crimes.

Fourth, we should integrate this "stern crackdown" with the "year of comprehensively strengthening grassroots infrastructure" activities and the efforts to build up a contingent of law enforcement officials and judicial personnel. It is necessary to carry out in breadth and depth the "year of comprehensively strengthening grassroots infrastructure" activities, implement comprehensive improvement measures including prevention, management,

and construction in the entire course of the "stern crackdown," and enhance the grassroots level's capacity for safeguarding public order. Law enforcement and judicial departments should constantly strengthen themselves in the course of the "stern crackdown" and improve their combat effectiveness and law-enforcement skills.

Li Zemin said: Party committees and government at all levels must conscientiously step up their leadership and devise well-considered plans for implementing this struggle. They should place this struggle high on their agenda and exercise effective leadership. Top party and government leaders must take it seriously and exercise personal leadership to help uncover and solve key problems in this struggle in a timely fashion. Leadership of individual departments should focus their energies on specific tasks. Work teams should be sent to areas with heavier responsibility in this struggle to supervise and help them in advancing the struggle. Under the leadership of party committees and government, all departments and units must each do their best in providing all manner of support and coordination for the "stern crackdown." We should step up supervision and inspection. Localities and departments that have been slow in taking action and have failed to implement effective measures or make notable progress should be instructed to make rectification and correction. Some may have to be criticized in a circular and, where the problems are serious, principal party and government leaders may be investigated for their responsibility. We should build up a strong momentum, fully mobilize the masses, fully enlist their enthusiasm for fighting criminals, enlist their full support for cracking down on all manner of criminal activities that pose a threat to public order, encourage them to expose and report criminals, and create a good social atmosphere in which everyone participates in safeguarding public order.

Si Daxiao outlined specific arrangements for carrying out "stern crackdown" provincewide. He pointed out: The principal tasks of this struggle are: First, we should tackle major, difficult cases and crack a number of cases of vicious crimes. Second, we should concentrate our energies on areas and sections with serious public order problems. Third, we should resolutely halt the spread of narcotics-related crimes and prostitution. Fourth, we should resolutely crack down on the illegal manufacture and sale of firearms and tighten the management of ammunition and explosives, and fifth, we should pay simultaneous attention to crackdown, prevention, and management, and further implement measures for comprehensive improvement of public order. We should achieve the following goals in the ongoing "stern crackdown": crack a number of serious criminal cases involving violence, robberies and murders; to resolutely

crack down on underground criminal gangs and hooligans; recapture a number of escaped criminal offenders involved in serious criminal cases; to vigorously confiscate illegal firearms, ammunition, and explosives; to improve the problem of chaotic public order in some areas and road sections; to halt the spread of narcotics-related crimes and prostitution; to promptly and severely punish serious criminal offenders; to further enhance crime prevention measures in such key spots as banking and accounting departments, jewelry shops, and museums; to effectively prevent the resurgence of serious crimes; to strengthen work at grassroots level, promote comprehensive improvement of all facets of public security, and enhance the people's sense of security.

PRC: Zhejiang Secretary on Protecting Stability
OW2705030796 Hangzhou ZHEJIANG RIBAO
in Chinese 11 May 96 pp 1, 2

[Report: "At 19th Provincial Public Security Work Conference, Li Zemin Stresses Need to Strengthen and Improve Public Security Work and Protect Social Stability"]

[FBIS Translated Text] At the 19th Provincial Public Security Work Conference, which concluded on 9 May, Provincial Party Secretary Li Zemin pointed out the need to further understand the new situation in public security work, to remain politically sober, to strengthen and improve public security work, and to make all-out efforts to protect social stability, so as to make greater contributions to the province's reform, opening up, and socialist modernization.

Si Daxiao, member of the provincial party committee standing committee and director of the provincial public security department, chaired the conference. Wang Qichao, member of the provincial party committee standing committee and secretary of the provincial discipline inspection commission; Lu Zushan, member of the provincial party committee standing committee and secretary general of the committee; Yang Bin, vice chairman of the provincial People's Congress Standing Committee; Vice Governor Xu Zhicun; and Sun Jiaxian, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, attended the conference.

Li Zemin said: During the Eighth Five-Year Plan, under the leadership of party committees and governments at all levels, public security institutions throughout the province fully displayed their functions by adhering to the party's basic line and firmly focusing on the overall situation of the entire party and country. They profoundly carried out "three attacks and one prohibition" (san da yi jin 0005 2092 0001 4391), concentrated their

efforts on rectifying rural social order, and conducted severe crackdowns. They severely cracked down on serious criminal offenses and serious economic criminal activities; reformed and strengthened all types of security management work; conducted democratic appraisals of public security personnel as well as education and rectification for them; improved the public security contingent's overall quality; and effectively preserved the entire province's political stability and the overall stability of its social order, thus making major contributions to the province's reform, opening up, and modernization.

Li Zemin said: The Ninth Five-Year Plan is an important period serving as a link between the past and the future, during which public security institutions will have heavier tasks to undertake. At present and for some time period to come, the task of preserving social stability will remain arduous and the situation will remain grim. We must not take this lightly but must be aware of danger in time of peace. Preserving social order and social stability is an important guarantee for implementing the Ninth Five-Year Plan on National Economic and Social Development and the Long-Term Program for the Year 2010. It is an important component of party and government leading cadres' talks about politics and is a major matter in the entire party and society. At all times, we must correctly handle the relationship between reform, development, and stability. We must not stress economy to the neglect of social order and stability. All levels of party committees and governments must employ a strong sense of political responsibility, further improve the leaders' responsibility system on comprehensive management of social order, and genuinely put into effect the political responsibility for ensuring safety. Wherever the political situation worsens and a social turmoil occurs, the relevant party and government first leader will be held responsible for it. All levels of public security institutions and public security personnel must further strengthen their sense of responsibility and urgency, earnestly improve their political awareness, strengthen their awareness of danger, enhance their mentality about political power, conscientiously study new situations, resolve new problems, constantly intensify public security work, and make all-out efforts to protect social stability. Li Zemin said: All localities must strengthen public security work and make all-out efforts to protect social stability. All levels of public security institutions must adapt themselves to the new situation and undertake the historic responsibility of protecting social stability. In providing protection for socialist modernization, we must adhere to the party's basic theory, basic line, and basic policy, conscientiously implement the Ninth Five-Year Program on Public Security Work formulated by the Ministry of Public Security, and firmly

rely on all levels of party committees and governments and the masses in carrying out the requirements on severe crackdown, strict management, strict prevention, and strict rectification.

Taking reform as the dominant factor, putting the improvement of the public security contingent in a leading position, and making our logistics equipment serve as a backing, we will initially build a public security work mechanism, a management mechanism, and a police affairs protection mechanism that are all compatible with the socialist market economic structure. We must make efforts to improve our ability to protect social and political stability and to control social order, so as to create a more tranquil social environment for Zhejiang to smoothly implement the province's Ninth Five-Year Plan and for the people to live and work in peace and contentment.

The first is making all-out efforts to protect social and political stability. We must correctly handle the contradictions among the people, understand and resolve contradictions and disputes that may possibly affect stability, and prevent people with ulterior motives from taking advantage of these contradictions and disputes. We must conscientiously take precautions against and properly handle all kinds of eventualities and incidents involving groups, and make efforts to resolve problems at the grass roots, internally, and in the bud.

The second is further strengthening the impetus of the crackdown on crime to create a fine environment of social order. The province's severe crackdown has yielded initial results, but we must soberly understand that this crackdown has just started and the achievements are only initial. Our tasks in the next step are more arduous.

First, we must further improve our understanding and strengthen our leadership. All levels of party committees and governments must take the "severe crackdown" as an important criteria to judge whether party and government cadres genuinely stress the importance of politics in their minds and deeds and whether they genuinely adhere to the principle of "doing two things simultaneously and laying equal stress on both." This is a requirement not only on party and government leading cadres at the county level and above, but also on party and government leading cadres in different departments, units, and townships. Party and government leading cadres at all levels throughout the province, particularly first leading cadres, must proceed from the angle of protecting social stability in strengthening their leadership over the combat, so that it will remain under their close and proper attention from beginning to end.

Second, we must bring key points into prominence, strengthen our crackdown measures, and ensure crackdown quality. All localities must proceed from outstanding problems that affect their social stability, and continue to deepen the general check at the grass roots. They must widen their search, ferret out criminals, crack major cases, track fugitives, break up criminal gangs, strive to crack a number of major and pernicious crimes in a short period, capture a number of escaped criminals, and destroy a number of criminal gangs, to demonstrate our prestige and courage and produce effective results in the crackdown.

Third, we must further rely on the masses and mobilize them in exposing criminals, to form a social environment in which everyone participates and is bold in combating criminals. We must further coordinate and organize various departments and units in actively joining the combat, so that the current crackdown will proceed more deeply.

Fourth, we must strengthen our propaganda work and the impetus of public opinion.

Fifth, at the conclusion of the "severe crackdown," we must conscientiously and promptly sum up the experience in the crackdown and consolidate our achievements. We must continue to carry out the principle of simultaneous crackdown and prevention and of treating crime by looking into its root causes and symptoms with focus on treating the root cause. We must strengthen our comprehensive management of social order, continue to conduct the activity of creating peaceful communities, and strengthen the grass-roots work that focuses on the leaders' responsibility mechanism, the organizational management mechanism, the masses' prevention and rectification mechanism, and the reward, punishment, and encouragement mechanism. We must further strengthen grass-roots communities' crime prevention ability, social order management ability, and social control ability, to promote the implementation of all comprehensive management measures at the grass roots.

Third is vigorous reform of the public security system aimed at establishing a new public security work mechanism compatible with the socialist market economy. Public security components at various levels must fully understand the necessity and urgency of public security reform under the new situation, and — on the premise of preserving and carrying forward the fine traditions of public security work — positively, cautiously, and scientifically go ahead according to guidance, plan, steps, and order of priority. Currently and for a certain period to come, the focal point is to further establish and perfect an information command network centering on the

command center, dynamic management network, temporary residential management network, traffic control network, and public order coordination network, that gradually lead to the formation of a new public security operating mechanism.

Fourth is to tighten discipline of the police force according to law while improving personnel quality. Public security components at various levels should further carry out instructions handed down by the Party Central Committee and the provincial party committee on maintaining stability while improving personnel quality. Adhering to the principle of strict police management according to law, and in accordance with the concept of "improving quality, leadership, and performance to ensure safety," it is necessary to build a loyal, reliable, well trained, highly professional, disciplined, and tough public security contingent for fair law enforcement. Ideological and political training should be highlighted in efforts to enhance quality by educating both officers and men with the theory of building socialism with Chinese characteristic and the party's basic line. It is necessary to further improve the quality of leading cadres at various levels and the evaluation system for the performance of public security leading cadres jointly carried out by a public security component at a higher level and the local party committee, and to select the best candidates as members of the leading bodies, particularly selection of the number-one man. The system of exchanges between leading cadres serving in city and county public security components should be continued and improved. It is necessary to strengthen the legal system so that the police force can gradually be managed according to law, to intensify building of a clean administration within the force, to tighten up internal control mechanisms, to strengthen supervision of law enforcement, and to step up investigations and punishment of in-house discipline violations.

Li Zemin said: Party committees and governments at various levels should attach great importance to public security work by practically strengthening leadership. Under the new historic period, the deeper the reform and opening up go and the more the socialist market economy develops, the heavier responsibility will be shouldered by the public security apparatus, prompting party committees at various levels to further strengthen leadership on public security work. To maintain social stability, it is necessary to further strengthen and improve leadership on public security work.

First, we should strengthen leadership on public security work in such aspects as ideology, politics, and principles and policies. Party committee members should study and emphasize certain major policies and important laws and regulations on public security.

Second, it is necessary to conduct serious study on the situation and make important, timely decisions and arrangements to preserve local social stability. Party committees at various levels should hold at least two special meetings annually to hear briefings from the public security, judicial, and procuratorial components to ensure a correct assessment on the social stability situation, to study and endorse guiding thoughts for these components, as well as major missions and actions.

Third is to strengthen guidance, supervision, and coordination in support of the public security departments' strict law enforcement. Unexpected major incidents of local nature, or trouble-makings involving the masses that may spark off massive clashes should be referred to the public security, judicial, and procuratorial departments for proper handling, whereas principal leaders must step in and take command personally. Besides, it is necessary to help public security components resist interference and clear obstacles so that they can fairly exercise their law-enforcement authority.

Fourth is to improve party building and enhance the quality of leading bodies and personnel within public security components. Fifth is to practically solve problems faced by these components.

The meeting also discussed further crackdown on crimes and implementation of the "Criminal Procedures Law" and the "Administrative Punishment Law."

Central-South Region

PRC: Guangdong City Efforts in Anti-Smuggling Operations

OW2805001196 Beijing ZHONGGUO XINWEN SHE
in English 2321 GMT 27 May 96

[FBIS Transcribed Text] Guangdong, 27 May (CNS) — Anti-smuggling operations in Zhanjiang have paid off as policemen have, in less than two months' time, cracked down on less than a dozen cases, said Mayor Zhuang Lixiang at a news conference convened by the municipal government today.

In recent years, smuggling activities were notoriously rampant in Zhanjiang and its neighbouring regions, such as Leizhou, Xuwen and Suixi Counties — which are collectively known as the smugglers' havens — where large bands of armed smugglers boldly resisted police arrest or defied law officers by running away with the contraband goods.

In April, a joint anti-smuggling task force composed of officers from both the central and provincial governments was sent to Zhanjiang to coordinate with local police force to handle big armed smuggling cases. A

total of 14 joint land and sea operations were launched. As a result, 29 suspected smugglers involved in 16 cases were arrested, a motor vehicle and four vessels plus 4,378 crates of undeclared cigarettes worth RMB (renminbi) 6.86 million were also seized.

Speaking on the same occasion, deputy governor of Guangdong Liu Weiming pledged continuous police actions to tackle smuggling crimes and to have the offenders punished by law.

PRC: Ruan Chongwu Addresses Hainan Meeting on Crime Crackdown

OW2505051396 Haikou HAINAN RIBAO in Chinese
29 Apr 96 p 1

[By reporter Zou Yonghui (6760 0737 2547) and correspondent Huang Jiang (7806 3068): "Provincial Meeting on Crime Crackdown Calls for Implementing Central Committee's Policy Decision, Clamping Down Criminal Activities, and Maintaining Social Stability"]

[FBIS Translated Text] On 24 April, the provincial party committee held a provincial meeting on crime crackdown at the committee's auditorium to relay the Central Committee's guidelines on launching a campaign to crack down on crime and to map out plans for carrying out the campaign throughout the province.

Ruan Chongwu, secretary of the provincial party committee and governor, spoke at the meeting. He emphasized: Party committees and governments at the city and county levels as well as departments concerned should attach great importance to fighting crimes. They should effectively strengthen leadership over the crackdown, bring into full play the role of public security, judicial, and procuratorial departments, encourage the broad masses of people to take part in the crackdown, and resolutely curb the spread of serious crimes, thereby maintaining social stability and ensuring the smooth progress of reform, opening up and economic construction in Hainan.

Du Qinglin, deputy secretary of the provincial party committee and chairman of the provincial people's congress standing committee, presided over the meeting. Provincial leaders Chen Yuyi, Cai Changsong, Liu Xuebin, and Wang Xueping, as well as Tian Zhongmu, provincial higher people's court president, Qin Xingmin, provincial people's procuratorate chief procurator, and Li Bixing, provincial military district deputy commander, attended the meeting.

In his speech, Ruan Chongwu said: In recent years, Hainan has seen a tendency toward stability in public order as a result of various crackdown campaigns. In 1995, the incidence of criminal cases dropped steadily.

providing the effective guarantee for the province's reform, opening up and economic construction. However, we must be soberly aware of the continued grim situation in the province's public order. The struggle to deal harshly with serious crimes must not be relaxed even momentarily. The current nationwide crime crackdown, sponsored by the party Central Committee, is of great political significance. Leaders at all levels should fully recognize the importance and necessity of cracking down on crimes by resolutely implementing the Central Committee's policy decision and earnestly organizing and guiding the campaign.

Ruan Chongwu emphasized: Leaders of party and government organizations at all levels should exercise effective leadership over the campaign, and make the maintenance of social stability and public order an important item on the agenda. It is necessary to implement responsibility system of leaders, departments, and units, under which work in various aspects of clamping down on crimes and maintaining public order is assigned to and implemented to the letter at each level. From the drafting of plans to their implementation, top leaders of party and government organizations should take a personal charge in order to identify and promptly solve problems cropping up in the campaign. All public security, judicial, and procuratorial departments should crack down on crimes in a combative spirit, each performing its functions and closely coordinating with others in taking concerted action to implement the principle of harsh and swift punishments against hard-core criminals throughout the process of handling cases. We should extensively mobilize the masses of people and the whole party in creating a political offensive of powerful public opinion pressure. In the course of fighting crimes, we should implement various measures for comprehensive management of public order and further intensify basic construction at the grass roots in as many places as possible. Through further testing and tempering during the campaign, the ranks of public security, judicial, and procuratorial cadres will enhance their comprehensive fighting capability and law enforcement level.

Ruan Chongwu urged party committees and governments at all levels; public security, judicial, and procuratorial components; and the relevant departments to thoroughly understand the guidelines of the current provincial meeting on crime crackdown, translate the Central Committee's and provincial party committee's policy decisions on the campaign into concrete action, so as to achieve fruitful results in maintaining long-term social stability and ensuring the smooth progress of reform, opening up, and economic construction in Hainan.

The meeting was attended by all city and county party committee secretaries, city mayors and county heads,

secretaries and deputy secretaries of political and legal commissions; as well as senior officials from the public security, judicial, and procuratorial departments; the provincial political and legal commission; all departments, commissions, offices, and bureaus directly under the provincial government; and People's Armed Police and Army units stationed in Hainan; and officials from enterprises, institutions, and units directly under the provincial government, totaling some 500.

PRC: Gas Blast Kills 50 Miners in Henan
HK2405045096 Hong Kong HONGKONG
STANDARD in English 24 May 96 p 6

[By Pamela Pun]

[PTS Transcribed Text for FBIS] At least 50 people are dead and about 30 others are missing—also believed dead—after a gas explosion in a mine in central Henan province.

Doctors and rescue workers continued efforts to save the victims until late last night, although the missing miners' chances of survival were slim, according to local officials.

A task force made up of central and provincial officials was also sent to the site to direct the rescue work, a spokesman from Henan provincial Coal Industry Department said.

"More than fifty miners in Pingdingshan city were killed in the gas explosion on Tuesday evening," the spokesman told The Hongkong Standard last night.

Preliminary investigation showed that gas accumulation in the coal mine was mainly to blame for the deadly explosion, he said.

It was too early to say whether some officials would be held responsible for the disaster, he added.

"The disaster...trapped 84 miners working at the underground coal field," an official from Pingmei Holding Company in Henan's western city of Pingdingshan, said.

"Ninety-seven miners narrowly escaped death as they left the mine before the explosion in the No 181 mine shift," he said.

The victims were immediately sent to the company's hospital upon being rescued but most of them were dead on arrival at the hospital, he said.

The chances of survival for those still missing was very slim, he said, adding that most of the trapped miners died from the blast and suffocation.

All victims were employees of the Pingmei Holding Company.

Under company regulations, each family of the dead could get a compensation between 20,000 yuan (HK\$18,576) and 30,000 yuan, he said.

Central government has attached great importance to the disaster as it was one of the worst industry accidents in China this year.

Minister of the Coal Industry Wang Senhao and Vice-Minister Wang Xianzheng flew to the city on the second day of the rescue operations.

The vice-governor of Henan and other senior provincial officials also rushed to the site of the tragedy.

In May 1993, 39 miners were killed in a gas explosion believed to be caused by officials' negligence.

PRC: Murderers, Robbers Executed in Hubei on 15 May

SK2005025796 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 15 May 96

[FBIS Translated Text] From 15 May, the courts at various levels across the province will successively hold adjudication meetings to execute a group of serious criminals by shooting.

On the morning of 15 May, the Wuhan city intermediate people's court took the lead in the province to hold a meeting to publicly pass sentences on a group of serious criminals. Leaders of the provincial and Wuhan city departments concerned and hundreds of the people attended this meeting. Yin Zengtao, vice mayor of Wuhan city, made a speech before the meeting.

He said in his speech that we should further strengthen the dynamics of the struggle against serious criminals to safeguard the stability of society.

According to the order of the provincial higher people's court, after the meeting, the Wuhan city intermediate people's court escorted a group of serious criminals to the execution ground and executed them by firing squad.

It was informed that most of the criminals executed in Wuhan today were deliberate murderers and robbers, and some were habitual thieves with a huge sum of money involved. Without money to buy narcotics, Criminals (Yu Jie) and (Ye Liangwen) robbed others of their money and killed them. Criminals (Song Xiaoxian) and (Wen Daihui) ganged up with each other to commit crimes by looting goods on long-distance buses for several times. So, these persons were seriously punished according to laws.

PRC: Hubei Executes Criminals, Announces Judgments of Others

SK2205034596 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 20 May 96

[FBIS Translated Text] On the morning of 20 May, the Xiangfan city Intermediate People Court held open trials in nine counties, cities, and prefectures such as Fancheng, Xiangyang, Laohekou, and Suizhou with the participation of 10,000 people. According to the law, a number of serious criminal offenders, including intentional homicide offenders (Gao Zhili), (Gao Youbao), and (Luo Jingguo) were sentenced to the death penalty and deprivation of political rights for life. After the announcement, the above-mentioned criminals were escorted to the execution ground and executed by firing squad, in line with the order of the Hubei Higher People's Court.

The criminals who were sentenced to the death penalty and executed by firing squad included serious criminal offenders, such as (Zeng Shoufu), for committing homicide with a knife when discovered stealing; (Gao Zhili) and (Gao Youbao), for plotting together to murder people; (Li Yongji), showing no sign of repentance and raping a young girl when serving a sentence; and (Meng Sixi), wantonly robbing goods on highways. The popular indignation could not be attenuated if these offenders, guilty of the most heinous crimes, had not been put to death. At open trials held by aforementioned counties, cities, and districts, the courts also announced judgments on a number of serious criminal offenders.

Southwest Region

PRC: Tibet Party Head: PLA Must 'Resolutely Crush' Separatists

OW2705094096 Hong Kong AFP in English 0858 GMT 27 May 96

[FBIS Transcribed Excerpt] Beijing, May 27 (AFP) — China hit back Monday at European parliament criticism over human rights abuses in Tibet, accusing Strasbourg of fawning to Tibet's exiled spiritual leader, the Dalai Lama.

Beijing also slammed as "unacceptable" Sweden's decision to allow a visit last week by the Dalai Lama, during which he met Swedish Foreign Minister Len Hjelm-Wallen. [passage omitted]

Meanwhile, a report in the Tibet Daily [XIZANG RIBAO], seen Monday, quoted a speech given May 18 by Tibet party chief Chen Kuiyuan to People's Liberation Army (PLA) troops stationed in Lhasa.

Chen urged the PLA to "resolutely crush the conspiracy activities of the Dalai Lama," stressing that the struggle should take priority above all other duties.

He also called on the troops to deal harshly with any elements who, "in the name of religion," attempted to disrupt national unity and threaten the stability of the region.

"We must keep the monasteries under strict control and seriously punish any law breakers," Chen said.

Tensions have heightened considerably in Tibet following a riot by monks at Ganden monastery outside Lhasa on May 6.

PRC: Lhasa Holds Mobilization Meeting for Crime Crackdown

*OW2505050296 Lhasa XIZANG RIBAO in Chinese
10 May 96 p 1*

[Unattributed report: "Lhasa City Holds a Meeting to Mobilize People to Crack Down on Serious Criminal Activities — Raidi, on Behalf of the Regional Party Committee and Government, Calls for Taking Prompt Action Throughout the Region"]

[FBIS Translated Text] Lhasa City held a meeting on 9 May to mobilize people to crack down on serious criminal activities. Raidi, executive deputy secretary of the regional party committee, attended the meeting and made an important speech on behalf of the regional party committee and people's government. He called on all prefectures (cities) and departments throughout the region to conscientiously implement the guidelines set forth in the party Central Committee's instructions and to take prompt action in cracking down on serious criminal activities according to the arrangements made by the regional party committee and people's government in order to effectively maintain social stability. Luosang Toinzhub, secretary of the Lhasa City Party Committee, made mobilization arrangements at the meeting. More than 1,200 cadres at or above the county levels, judicial and procuratorial cadres, and public security cadres and police in Lhasa City attended the mobilization meeting.

In his speech at the meeting, Raidi pointed out the following: The nationwide struggle to crack down on serious criminal activities is being waged according to the party Central Committee's strategic plan for strengthening control of public order and ensuring that the people live and work in peace and contentment. It is an important guarantee for smoothly carrying out reforms, opening to the outside world, undertaking economic construction, implementing the Ninth Five-Year Plan, and achieving the target for 2010. This meeting is to mobilize people to crack down on serious criminal activities

in Lhasa city as well as throughout the region. To wage this struggle according to the guidelines set forth in the party Central Committee's instructions is an objective requirement as well as an urgent task for maintaining social stability and ensuring rapid economic development, consolidated border defense, and a peaceful and contented life for the people in the region. Party committees and governments at various levels should first conscientiously study a series of important instructions issued by the party Central Committee on the struggle to crack down on serious criminal activities, profoundly grasp their essence, accurately understand our region's actual conditions, and fully recognize the need to wage this struggle in the region. They should enhance their sense of mission and urgency and unify their thinking according to the policy decision of the party Central Committee and the arrangements of the regional party committee. Whether or not one attaches importance to this struggle reflects whether he has a mass consciousness and whether he pays attention to politics. We must attach great importance to maintaining social stability and public order, ideologically and in deed, and effectively carry out the struggle to crack down on serious criminal activities. If separatists' sabotage activities in a locality are rampant and public order cannot take a turn for the better because leaders there do not pay attention to this struggle ideologically and fail to make effective arrangements or take concrete measures, the party committee and government there will be called to account.

Raidi stressed: Public security, procuratorial, and judicial departments are the main forces for waging the struggle to crack down on serious criminal activities, and they are duty-bound to do so. They should take stronger measures, exercise their function as a whole, and effectively organize their crackdown actions. They should make careful arrangements and coordinate their actions. In connection with the struggle against separatism, they should put stress on exposing separatists, mobilize the masses in a big way to inform against and expose separatists, and sternly crack down on violent sabotage activities [bao li po huai huo dong 2552 0500 4275 0975 3172 0520]. They should adhere to the principle of "sternly and promptly" punishing serious criminal offenders to gain a momentum in the struggle and win high prestige backed up with power. At the same time, they should grasp trends, strengthen precautions, and prevent the enemy from doing something desperate as a cornered beast does [fang zhi di ren gou ji tiao qiang 7089 2972 2420 0086 3699 1838 6426 8259] or from creating new incidents.

Raidi called for strengthening leadership over the struggle to crack down on serious criminal activities. Party committees and governments at various levels should

supervise, inspect, and guide this struggle in a timely fashion and implement a principal leader's responsibility system. They should fully mobilize and rely on the masses to fight a people's war. All departments should actively coordinate with one another in waging this struggle. It is necessary to launch a strong offensive in public opinion and to ensure that the struggle will be smoothly carried out and that substantial results will be achieved. Riding on the east wind stirred up by the struggle to crack down on serious criminal activities, we should vigorously tackle problems of public order in a comprehensive way, carry out various relevant measures, and continue to eliminate social evils.

In his speech at the meeting, Luosang Toizhub said: Lhasa, the capital of Tibet, is the political, economic, and cultural center and an important window of the autonomous region. The stability of Lhasa bears on the stability of the region as a whole. In implementing the instructions of the party Central Committee and the regional party committee on maintaining social stability and improving public order, Lhasa must advance in the forward ranks, take prompt and powerful action, and achieve marked results. Beginning now, we should use three months' time to carry out the struggle to crack down on separatists' sabotage activities and on serious criminal activities throughout the city.

Luosang Toizhub called on party committees, governments, and relevant departments at various levels in the city to clearly understand the guiding principles, to carefully organize the struggle, and to make full preparations for concentrating forces on the struggle. They should make sure that when they take action, they should be able to deal a deadly blow toward criminals. Judicial, procuratorial, and public security departments should bring their roles as the main force into full play and go all out to carry out this struggle. Relevant departments should coordinate closely with them in waging this struggle. We should take this struggle as a turning point and go all out to tackle problems of public order in a comprehensive way. Lhasa City's situation in social stability and public order should be noticeably improved through the struggle to crack down on serious criminal activities.

Those attending the meeting included Zi Cehag, member of the standing committee and secretary of the political and legal commission of the regional party committee; Tudeng Caiwang, procurator general of the regional people's procuratorate; Zhang Zhu, political commissar of the Tibet Armed Police Group; Kaji, deputy commander of the Tibet Armed Police Group; and responsible comrades of relevant departments. Lhasa Mayor Lobsang Gyaincain chaired the meeting.

PRC: Raidi Denounces Dalai Lama's 'Splittist Activities'

OW2905061196 Beijing XINHUA Domestic Service in Chinese 1148 GMT 28 May 96

[By RENMIN RIBAO reporter Zhang Zhongyi (1728 1813 5030) and XINHUA reporters Duoqi Zhandui (1122 0679 0594 1018) and Ni Siyi (0242 0934 5030)]

[FBIS Translated Text] Xigaze, 28 May (XINHUA) — A ceremony was held in the Zhaxi Lhunbo Lamasery in Xigaze today to unveil a golden board inscribed with the words "Safeguard the Country and Benefit the People," presented by President Jiang Zemin.

Pagbalha Geleg Namgyai, National People's Congress Standing Committee vice chairman; and Chen Kuiyuan, Tibet Autonomous Regional CPC Committee secretary, unveiled the board. The 11th Panchen Erdini Queji Jiebu [4292 0679 2638 1580] attended the ceremony.

Addressing the ceremony, Raidi, regional party committee deputy secretary and regional people's congress standing committee chairman, said: When the 11th Panchen Lama was enthroned on 8 December 1995, President Jiang Zemin wrote the inscription "Safeguard the Country and Benefit the People" for the Zhaxi Lhunbo Lamasery, the seat of the Panchen Lama. The inscription serves as a high assessment of all previous Panchen Lamas and the Zhaxi Lhunbo Lamasery's glorious patriotic tradition. It has also charted the orientation of advance for the 11th Panchen Erdini, the Zhaxi Lhunbo Lamasery, patriotic figures from the Tibetan Buddhist community, and all religious believers.

He said: The inscription praises religious believers of various ethnic groups for their patriotic tradition of safeguarding national unity and wishing their motherland prosperity and the people peace. It also reflects the supreme authority of China's central government to administer Tibet. Meanwhile, under the new historical conditions, the inscription provides rich ideological content and profound political significance that are compatible with socialist society.

He said: "Safeguard the Country and Benefit the People" means that religious believers and non-believers should become united under the banner of patriotism and socialism, and unwaveringly safeguard China's unity and national unity among the people of various ethnic groups. It requires patriotic figures from the religious community and religious believers to sincerely support the leadership of the CPC and to safeguard the state sovereignty of China and the authority of the central authorities. It also stresses the need to guide religion to adapt to socialist society and safeguard the interests of the country and the people.

He said: Diligently understanding and practicing President Jiang Zemin's inscription is of great practical significance and far-reaching historical influence to promoting work of Tibetan Buddhism, developing Tibet at an accelerating pace, and safeguarding socialist stability in the region.

In particular, he emphasized: We will by no means tolerate any splittist activities by the Dalai group in exile under the cover of religion and with the backing of foreign hostile forces, which are intended to oppose the CPC's leadership, to endanger national sovereignty, and to negate the central authorities' supreme authority over Tibet, he reiterated.

He called on all patriotic Tibetan Buddhists to take a firm and clear-cut stand over matters of principle and to fight resolutely against splittist activities.

In his speech, Lama Cering, chairman of the Zhaxi Lhunbo Lamasery Democratic Management Committee, expressed sincere thanks to President Jiang Zemin on behalf of the lamasery's committee, lamas, and living buddhas. He said: In accordance with President Jiang's inscription, the lamasery will make its due contributions to the motherland's unity and the unity among the people of various ethnic groups, carrying forward Tibetan Buddhism's tradition of loving the motherland and the religion, and building the new Tibet that will be more united and prosperous.

Three meters long and 1.3 meters wide, the golden board is to be hung over the gate of the lamasery's main hall.

Gyalcan Norbu and other Tibet autonomous regional party, government, and military leaders; representatives from the CPC Central Committee Propaganda Department, the State Council Religious Affairs Bureau, and other departments; and lamas and people from Xigaze Prefecture, totaling over 1,000 people, attended the ceremony.

PRC: Beijing Launches Hunt for Fleeing Monks in Tibet

*OW2105110196 Hong Kong AFP in English
1051 GMT 21 May 96*

[FBIS Transcribed Text] Lhasa, May 21 (AFP) — China has launched a hunt for hundreds of monks after bloody clashes between monks and Chinese security forces at Ganden monastery, east of Lhasa, Tibetan sources say.

The sources, in statements at the weekend, also gave a detailed picture of the scale of the casualties among the protesting monks and the scope of a crackdown on monasteries around the Tibetan capital.

Among the heavily injured are two monks who were shot in the leg, one shot in the back and a fourth who had been clubbed over the head and is now unable to speak, the sources said. There were fears for the lives of two of the injured, they added.

At least 40 monks were imprisoned after the clashes, which erupted on May 6 after China issued orders to remove all portraits of the Dalai Lama.

The order applies to all premises, not just monasteries, the Tibetan sources said. Even schoolchildren have been told to remove knotted red religious cords they wear round their necks and which have been blessed by lamas or the Dalai Lama himself, who lives in Dharmasala in exile in India.

Ganden, 40 kilometers (25 miles) to the east of Lhasa, is still off-limits to sightseers.

Tibetan sources said some of the detained monks were badly beaten in custody and witnesses in the city spoke of seeing several injured monks being brought by a truck to hospital for treatment, mostly for extensive bruising injuries, they said.

Only 50 monks, mainly the very old and novices remain at Ganden.

Most of the 600-plus others fled after the incident and are now being hunted, the sources said.

Tibetan sympathisers said their plight was dramatic, since they could not return to the monastery nor go home to their families for fear of reprisals.

Similar, but less violent disturbances, occurred at two other monasteries — Sera, 10 kilometers (six miles) northeast of Lhasa and Drepung, six kilometers (four miles) to the west.

Chinese officials marched into Drepung on May 7 and removed a photograph of the Dalai Lama. Similar action was taken at Sera. Both monasteries immediately closed their doors to the public.

But after two days the abbot from Drepung was summoned by the Chinese administrators and told to reopen the monasteries or face "problems," one source said.

China has tightened up on visas for Tibet, insisting that all foreign tourists be part of a tour group, and not allowed to move around on their own, tour agencies in Kathmandu were told.

One Singapore tourist had been advised before his arrival that he had three days to look around Lhasa on his own, but found instead that he had been allocated a guide for the entire period.

Tourists are allowed to visit both monasteries, but each day a Chinese official visits the premises beforehand and Chinese guards are now billeted there out of sight of tourists, a Tibetan source said.

"No one can predict what will happen now," said a Lhasa store-owner, adding "there is such a lot of tension in the air."

Sera, Drepung and Ganden, all founded in the 15th century, are monastic universities and at the heart of Buddhist life in Tibet. Sera and Drepung were in the forefront of the 1959 uprising against the Chinese and all three suffered extensive damage during the Cultural Revolution.

But the lama and monk population at all three has dropped from its peak of 19,000 at the turn of the century to just over 1,500 today.

**PRC: Tibet Court Sentences Criminals,
'Counterrevolutionaries'**

*OW2805032896 Lhasa Tibet Television Network
in Mandarin 1200 GMT 27 May 96*

[From the "Regional News Hookup" program]

[FBIS Translated Text] To deal a hard blow to various criminal elements, protect the people's lives and property, and genuinely maintain social stability in Xigaze Prefecture, the Xigaze Prefectural Intermediate People's Court recently called a verdict announcement rally at the prefectural sports stadium to concentrate on sentencing 20 criminals involving 15 cases according to law. The rally's major targets were premeditated murder, robbery, and major theft cases. Crimes committed by those criminals were marked by extreme severity, cruelty, and extremely adverse consequences. They seriously undermined social order and jeopardized social stability, thereby incurring the masses' great indignation and eliciting their strong call for harshly punishing the criminals according to law.

At the rally, the Xigaze Prefectural Intermediate People's Court gave sentences of five or less years to (Cering Lannu), (Awang Gesang), (Tamujue), (Puqung), (Ima Toiazhub), six counterrevolutionaries [as heard] who called and incited for Tibetan independence; they were also stripped of their political rights. According to criminal facts which were approved by the Regional Higher People's Court according to law, premeditated murderers (Danzhen), (Toiazhub), (Wangqiu), (Ima Jiafu), (Toindai), (Luosang Toiazhub), and thieves (Peng Xiangdong) and (Bao Zita), were given death sentences and stripped of their political rights for life according to law. Thieves (Li Jian) and (Gongdu Zhaxi) and premeditated murderer (Luo Bu) were given two-year-

suspended death sentences and stripped of their political rights for life according to law. Premeditated murderer (Ima Zhaxi) and thief (Puqong) were given life sentences and stripped of their political rights for life according to law. Thief (Cering Zhaxi) was given a 10-year term according to law.

PRC: Tibet Plan To Bring Rapid Economic Growth
*OW2705090896 Beijing XINHUA in English
0732 GMT 27 May 96*

[FBIS Transcribed Text] Lhasa, May 27 (XINHUA) — China's Tibet Autonomous Region has drawn up an ambitious plan that will bring it more wealth and success in the coming years.

The aim of the plan is to score a ten percent increase in the region's gross domestic product (GDP) each year until the end of the century.

It means the per-capita GDP (the value of goods and services produced) in Tibet in the year 2000 will be four times the 1980 figure, in accordance with the Ninth Five-Year Plan for Tibet's economic and social development that has been adopted by the Regional People's Congress.

Tibet's GDP in 2010 is projected to double the 2000 figure with the per-capital GDP approaching the nation's average in 2010, according to Tibet's long-range objective for the year 2010.

Tibet has drawn up an action programme to help the region attain its goals:

- Tibet will strengthen its farming sector as the foundation of its economy by increasing investment, advancing scientific and technological progress and increasing the incomes of farmers and herdsman.
- A number of hydroelectric power stations will be built to increase Tibet's generating capacity to 450,000 kw by the turn of the century.
- Work will be done to upgrade five national highways and roads in border areas.
- By 2000 all counties will be connected to the national automated long-distance telephone exchange network.
- Tibet will concentrate on expanding such industries as forestry processing, mining, farm product and animal by-product processing, handicrafts, construction, building materials and tourism.
- Four economic zones will be built along the highway between Tibet and neighboring Sichuan Province, the highway from Tibet to the neighboring Xinjiang Uygur

Autonomous Region, the road between Tibet and neighboring Qinghai Province, and the highway that links Tibet with Nepal.

PRC: Tibet Plans To Build More Cities

OW2805091496 Beijing XINHUA in English
0826 GMT 28 May 96

[FBIS Transcribed Text] Lhasa, May 28 (XINHUA) — The Tibet Autonomous Regional Government plans to build seven county-level cities over the next decade, according to a leading official.

Xu Mingyang, vice-chairman of the autonomous regional government, said that the new cities will be in the prefectures of Nagqu, Qamdo, Gyangze and Yadong.

He said that the regional government will promulgate a decision later this year on speeding up the construction of small cities and towns.

He said that long-term construction plans for most county towns and cities have already been drawn up.

For example, this regional capital will be enlarged to 75 sq km by the year 2015 from 50 sq km at present, according to an official of the Lhasa Urban Construction Bureau.

He said that Lhasa's urban population will increase to 400,000 in 2015 from 140,000 at present.

Bayi Town, the seat of the Nyingchi Prefectural Commissioner's office, will be built into a city of gardens. Zedang Township, the seat of the Shannan Prefectural Commissioner's office, will focus on building the western section along the Yalong River, where houses in Tibetan style will be built.

Xigaze City will concentrate on protecting historical sites and cultural relics. Nagqu Town, a transportation hub in northern Tibet, will try to expand its grassland-oriented tourism industry and handicrafts.

PRC: Tibet To Open More Domestic, International Air Routes

OW2205154396 Beijing XINHUA in English
1041 GMT 22 May 96

[FBIS Transcribed Text] Lhasa, May 22 (XINHUA) — The Tibet regional government says that an air route from the regional capital Lhasa to the Shaanxi provincial capital of Xian and to Golmud in neighboring Qinghai Province will open, and that a number of others to the rest of China and the world will open during the next five years.

The regional government has decided to open an air route to Hong Kong via the Guangdong provincial capital of Guangzhou before the year 2000.

It also plans to open air routes from Lhasa to Guilin, a scenic city in the Guangxi Zhuang Autonomous Region, to the Yunnan provincial capital of Kunming, to the Guizhou provincial capital of Guiyang, and one between Lhasa and Nepal's capital of Kathmandu.

A local airline will be set up as soon as possible, the official said.

Gyalcan Norbu, chairman of the regional government, said that the government will prepare to open air service between Lhasa and the outlying towns of Nagqu, Ngari and Nyingchi.

PRC: Tibet Strengthens Management on Tourism

OW2905093996 Beijing XINHUA in English
0906 GMT 29 May 96

[FBIS Transcribed Text] Lhasa, May 29 (XINHUA) — Tourism authorities in southwest China's Tibet Autonomous Region are working hard to improve the management and development of tourism in the area.

A quality inspection office was formed in August, 1995 by the regional tourism bureau in Tibet to better serve domestic and overseas visitors. It is the first office of its kind in Tibet to enforce tourism laws and regulations, and handle tourists' complaints.

This year, the regional tourism bureau plans to employ more quality inspectors. It also has arranged for "complaint" telephones to be placed in tourism zones, airports, hotels, shopping centers and railway stations, so that tourists may register complaints about services. The telephones will be operable in Tibetan language, Chinese and English.

Local tourism authorities have also drafted regulations that would oversee services in hotels, travel agencies, dining halls, and other places open to tourists.

To protect the safety of overseas tourists, local tourism authorities have also urged all tourism departments, travel agencies, tourism hotels, bus companies and tourism spots to report within 24 hours any accidents involving overseas visitors.

PRC: Gao Yan Outlines Yunnan Anti-Crime Measures

OW2505062496 Kunming YUNNAN RIBAO
in Chinese 7 May 96 p 1

[By staff reporter Han Shuguang (7281 2562 0342): "While Paying Courtesy Call on Public Security Cadres and Policemen During an Inspection of the Anti-Crime Campaign in Kunming, Gao Yan Stresses the

Importance of Effective Leadership To Ensure the Smooth Progress of the Anti-Crime Campaign"]

[FBIS Translated Text] During an inspection of the anti-crime campaign in Kunming City yesterday afternoon, Gao Yan, secretary of the provincial party committee, paid a courtesy call on public security cadres and policemen, and made an important speech.

Leading comrades Zhang Baosan, Wang Tianxi, Yang Jianqiang, Wang Yiming, Huang Bingsheng, Zhao Tingguang, Jiang Xingchang, and Zhang Zhenguo accompanied Gao Yan on the inspection.

During the inspection, senior officials from the provincial public security department and the Kunming City public security bureau gave briefings on the progress of the anti-crime campaign in the province and Kunming City.

Gao Yan made an important speech. He said: The curtains for launching an anti-crime campaign throughout Yunnan have been raised. This important step, taken by Yunnan to implement the party Central Committee's policy decision on maintaining public security and social stability, conforms with the popular aspirations. Attaching great importance to the campaign, the Kunming City party committee and government have swiftly mobilized more than 5,000 public security cadres and policemen to go all out to crack down on crimes, while the public security, judicial, and procuratorial departments as well as other relevant departments have closely cooperated with each other and scored initial successes in cracking down on crimes of all kinds, focused mainly on drugs, fugitives, and robbery cases. Gao Yan emphasized the following four points for waging an intensive, effective, and unique campaign with great momentum in Yunnan:

1. We must unify our thinking and enhance the understanding of the great political significance of the crackdown campaign. Since the beginning of this year, Yunnan has seen unhealthy trends in public security. In some places, crimes are rampant, the incidence of major and serious criminal cases is rising rapidly, and violent crimes such as murder and robbery have occurred one after another, endangering the people's life and property, jeopardizing public order and social stability, and impeding the smooth progress of reform and opening up and economic construction, to the strong dissatisfaction of the masses. All circles of society have reacted bitterly to crimes and appealed to the party and the government to take action to crack down on serious criminal activities. In line with the Central Committee's policy decision, Yunnan has mapped out plans for launching the crackdown throughout the province. This campaign is of great political significance in solv-

ing the current outstanding public security problems, in dealing powerful blows at the once-rampant hard-core criminals, in effectively maintaining public security and order, and in creating a favorable social environment for achieving a sound take-off and beginning for the implementation the Ninth Five-Year Plan and the Long-Term Target for the Year 2010 in Yunnan. Party committees and governments at all levels, the public security, judicial, and procuratorial departments, and other relevant departments should thoroughly understand the far-reaching significance of the Central Committee's plans, fully recognize the special importance of the campaign, be clearly aware of the responsibility on their shoulders, truly unify their thinking on the basis of the party Central Committee's policy decision, and pay close attention to and work out meticulous arrangements for the campaign.

2. We must exercise effective leadership to ensure smooth progress in fighting crime. The Central Committee has urged the number-one and -two persons of party committees and governments at all levels to conscientiously take up the responsibility, truly adhere to the principle of "giving equal emphasis on two fronts and doing well in both" not in words but in deeds, and pay keen attention to public security and social stability while promoting economic construction. This is an important aspect of the political integrity of leading cadres. The provincial party committee has attached great importance to the campaign. On 9 April, the provincial party committee's standing committee held a special meeting to hear briefings by public security, judicial, and procuratorial departments at the provincial level. It examined and approved the provincial political and legal commission's proposal for launching a crackdown on crime in the second quarter of this year, and it approved the provincial political and legal commission's telephone conference on launching the crackdown. Party committees and governments at all levels should firmly implement the Central Committee's and the provincial party committee's important policy decisions, imbue themselves with a profound sense of responsibility toward the people, regard the maintenance of public security and order as their duty, and exercise effective leadership over the crackdown in each locality or department. Number-one persons of party and government organizations should adopt a hands-on approach to the campaign. Where the central and provincial arrangements and requirements are not enforced, the crackdown proceeds slowly, and outstanding public security problems remain unsolved, the discipline inspection commission and supervision department will investigate local party and government leaders for their responsibilities in violating political discipline. Under the leadership of party committees and governments, all circles of our

society, localities, departments, and units should each perform their duties, exert all their efforts, and fully mobilize the masses to support and coordinate with the campaign, thereby creating a great momentum to deter crimes and deprive criminals of places to hide.

3. Public security, judicial, and procuratorial departments should go all out to coordinate with each other in meting out swift, harsh punishments against hard-core criminals. As the main forces of the crackdown, the public security, judicial, and procuratorial departments shoulder especially important responsibilities. Public security, judicial, and procuratorial cadres and policemen, and Armed Police officers and men should clearly understand the major responsibility on their shoulders, guard against and overcome apathy and other negative feelings, eliminate confusion in ideas, and plunge into the campaign in a combatant spirit. In various stages of investigation, it is necessary to strictly enforce the laws, implement the principle on swift, harsh punishments against criminals who seriously disrupt public security, and adhere to the "two basics" principle (basic facts and basic proof) in intensifying the crackdown and expediting investigation. Efforts should be stepped up to approve the arrest and prosecution of those who deserve it, to mete out severe punishments against those who deserve it, and to strike steadily, accurately, mercilessly against heinous crimes that are required by the law for capital punishment. Resolute action must be taken to rectify failure to observe and strictly enforce the laws and to punish lawbreakers, and to correct the practices of shifting responsibilities to others and procrastination in handling criminal cases. Meanwhile, it is necessary to observe civility in law enforcement and mete out both stringent and lenient punishments in accordance with the policy. Lenient punishments should be given according to the law to criminals who commit minor crimes with insignificant impact on society, or who surrender and take the initiative to confess and redeem themselves, so as to divide and disintegrate criminals and obtain good political and social results.

4. It is necessary to improve the quality of leading bodies and rank-and-file personnel of the public security, judicial, and procuratorial departments, and constantly raise their comprehensive fighting capability and law enforcement level. Organizational planning of the crackdown means a severe test for leading bodies and rank-and-file personnel of public security, judicial, and procuratorial departments, and strengthening the construction of leading bodies and rank-and-file personnel of public security, judicial, and procuratorial departments at all levels and raising their overall quality, comprehensive fighting capability, and law enforcement level can provide an important guarantee for the campaign. There-

fore, in the course of the crackdown, we should build up leading bodies and rank-and-file personnel of public security, judicial, and procuratorial departments at all levels to ensure that victory is won in the campaign and that the power is always in the hands of people who are loyal to the party and the people. We should ferret out evil persons and practices uncovered in the course of the crackdown. All public security, judicial, and procuratorial departments should conduct in-depth ideological and political work throughout the campaign, bring into optimal play the initiative and creativity of cadres and policemen at large, carry forward the spirit of defying hardships in fighting successive battles and advancing courageously, and display the mental outlook of cadres and policemen in obeying orders and instructions, in implementing the Central Committee's policy decision, and in going all out to crack down on crimes and maintain public order. Meanwhile, through actual tests in the campaign, we should step up inspection and supervision of the quality and law enforcement of cadres and policemen. In this way, we can purify the ranks by uncovering and duly punishing acts of dereliction of duty, shielding criminals, leaking information, embezzling public money, and other violations of law and disciplines. We can publicize and commend advanced and model persons in the crackdown, and we can study and formulate measures for building up the ranks and maintaining a clean and honest image of public security, judicial, and procuratorial departments, thereby enabling the provincial party committee to rest assured to the satisfaction of the people throughout the province.

Northwest Region

PRC: AFP Cites Paper on 33 Dead in Gansu Mine Flood

OW2505114396 Hong Kong AFP in English
1046 GMT 25 May 96

[FBIS Transcribed Text] Beijing, May 25 (AFP) — Thirty-three miners drowned and their bodies were trapped underground for 18 days in a serious mine shaft flood in northern China's Gansu province, the CHINA YOUTH DAILY said Saturday [25 May].

The mine, part of Lijiagou Lead and Zinc Mining Area, was hit by severe flooding on May 3, but the miners' bodies were trapped in three underground caves until waters subsided sufficiently on May 21.

Of the dead, 10 were government workers from the Cheng Xian County Public Security Labour Service Company, six worked for the military region's No.1 Mining Company, and 17 were miners from Tian Cheng Mining.

Gansu's provincial government ordered the entire reorganization of Lijiangou, China's second largest zinc and lead mining area, on May 23 and more than 70 illegal mines have been closed, the newspaper said.

Last month, provincial governments in Hebei and Guizhou ordered immediate safety checks after 23 miners were drowned in two mine shaft floods. In 1995, another 17 miners died in shaft floods in Guangxi Zhuang Autonomous Region.

Accidents in China's mining industry have become increasingly common as private and township mines compete with government ones, often with only the bare minimum of safety procedures.

PRC: Xinjiang Party Committee Gives Briefing on Crime Crackdown

*OW2505051296 Urumqi XINJIANG RIBAO
in Chinese 10 May 96 p 1*

[Report by staff reporter Hong Wei (4767 5517): "The Regional Party Committee Holds a Meeting of Leaders of Democratic Parties and the Association of Industry and Commerce to Brief Them on the Party Central Committee's Instructions Concerning Maintenance of Stability in Xinjiang"]

[FBIS Translated Text] The regional party committee held a meeting of leaders of democratic parties and the association of industry and commerce to brief them on the party Central Committee's instructions concerning the maintenance of stability in Xinjiang and on the guidelines laid down by a recent working conference of the regional party committee. Those attending the meeting said that they would do more work to maintain long-term stability and to encourage long-term development in the region.

Chen Demin, member of the standing committee and director of the organization department of the regional party committee, attended the meeting and briefed those present on the party Central Committee's instructions. Wu Jiahe, director of the united front work department of the regional party committee, chaired the meeting and briefed those present on the guidelines of the regional party committee's recent working conference.

Chen Demin said at the meeting: The stability and development of Xinjiang bear on the stability and development of the country as a whole. We must recognize the importance of maintaining stability in Xinjiang from this standpoint. We must adhere to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line and principles, bring the role of the forces in various quarters into full play, and unwaveringly hold high the

banner of national unity and the banner of guarding the sanctity of law; we must unite and rely on the cadres and masses of various nationalities to the maximum; we must maximally isolate and crack down on a handful of ethnic separatists and serious criminals of various kinds and make concerted efforts to maintain long-term stability and make long-term development in the region.

Those present unanimously held: The conclusion reached by the CPC Central Committee that the main dangers to the stability of Xinjiang are ethnic separatism and illegal religious activities tallies fully with the region's realities. The series of policies, measures, and requirements set by the CPC Central Committee for maintaining stability in Xinjiang represent a policy decision for ensuring long-term peace and stability in the region, and it is of great practical and far-reaching historical significance. They said that they would conscientiously study, publicize, and implement the CPC Central Committee's instructions on maintaining Xinjiang's stability and the guidelines of the regional party committee's recent working conference, take a clear-cut stand in opposing ethnic separatism, and resolutely support the effort to crack down on illegal religious activities.

Leaders of democratic parties and the association of industry and commerce spoke at the meeting, including Zhou Qingbao, Mijiti Silamu, Liu Chengzhi, Xu Siyi, Ma Meisun, Kong Xiangqi, Chen Shanming, Zhang Guofeng, Ye Yunsheng, Huo Shuhua, and Wang Run.

PRC: Xinjiang Notes Need To Control Religion, Ensure Stability

*OW2705012096 Urumqi XINJIANG RIBAO
in Chinese 12 May 96 p 1*

[Report by correspondents Maimaitini Dani (6314 6314 2251 0500 6671 1441), and Lou Wanhao (2869 2598 4110): Regional People's Congress Standing Committee Members Study and Discuss Guidelines of the Central Committee's Directive, Lawfully Tighten the Management of Religious Affairs, and Pledge to Safeguard Social Stability]

[FBIS Translated Text] Urumqi — From 9 through 10 May, the regional people's congress standing committee party group called a meeting for standing committee members and members who are also party members and cadres of standing committee components in Urumqi to hear, study, and discuss the CPC Central Committee important directive on safeguarding Xinjiang's stability, as well as the guidelines laid down by the regional party committee at its recent working conference. All those attending the meeting pledged that they would

contribute to safeguarding Xinjiang's stability by continuing to discharge their constitutional and lawful responsibilities and authority.

Amudun Niyaz, chairman of the regional people's congress standing committee, read the directive. During the study and discussion session, all those present unanimously maintained that the Central Committee's judgment that ethnic separatism and unlawful religious activities are the principal danger affecting Xinjiang's stability — and the Central Committee's instructions about countermeasures that should be taken — are scientific and incisive conclusions derived from decades-long experiences in fighting ethnic separatism in Xinjiang. They added that the Central Committee's decision was a major one for ensuring Xinjiang's long-term peace and stability and was in line with Xinjiang's actual need. The guidelines laid down by the regional party committee's working conference have major and far-reaching significance for promoting Xinjiang's stability and development. They pledged that they would heighten their sense of political responsibility and urgency in ensuring stability, maintain unity with the party Central Committee and the regional party committee ideologically and in action, and work with one heart and one mind for safeguarding Xinjiang's social stability.

Those attending the meeting also stated their views and offered suggestions on how to carry out the guidelines in the Central Committee's directive.

Cui Guanghua, vice chairman of the regional people's congress standing committee, said: While increasing the intensity of fighting ethnic separatism and unlawful religious activities, we should also properly implement the party's policies for ethnic minorities so that ethnic separatists will not have any excuse they can use. As an organ of state power, the regional people's congress standing committee must continue to improve all laws and regulations, conduct inspections to ensure their enforcement, increase the intensity of law enforcement, and tighten the management of religious activities according to the law. Hadesi [0761 1795 2448], vice chairman of the regional people's congress standing committee, said: We must take a clear-cut stand and act unequivocally on the issue of safeguarding national unification and opposing ethnic separatism. Leading cadres' thinking and understanding must be in consensus with the guidelines of the Central Committee's directive. While making efforts to ensure stability, they must continue to handle economic affairs properly and eliminate factors that induce instability.

After reading the Central Committee's directive, Amudun Niyaz made an important speech. He said: Our fight against ethnic separatism is a collective

display of the contradictions between the enemy and ourselves under new historical conditions, and it is a sharp and complex political struggle. Our stand must be firm and clear cut, and by no means should we be equivocal and waver.

He added: To safeguard the region's stability, we must, in accordance with the party's policy on religious affairs, bring religious activities into the orbit of lawful management and firmly stop the phenomena that impede production and social order, such as forcing citizens to convert, discriminating against non-believers, and interfering in the state's administrative, judicial, educational, and marriage affairs.

Amudun Niyaz also urged the regional people's congress standing committee to intensify supervision over law enforcement, support and oversee governments at all levels in tightening control over religious affairs, and make all-out efforts to safeguard Xinjiang's stability by cracking down on the extremely small number of ethnic separatists and all kinds of archcriminals.

PRC: Authorities Call For Harsh Punishment of Separatist Cadres

OW2705113296 Hong Kong AFP in English
1114 GMT 27 May 96

[FBIS Transcribed Text] Beijing, May 27 (AFP) — The authorities in China's Xinjiang region have called for harsh punishment for Communist Party members found to be involved in Moslem separatist activities, a report said Monday [27 May].

The Xinjiang daily [XINJIANG RIBAO], received here Monday, said the call came during a meeting of the region's disciplinary committee, called to discuss the attitude of officials to the independence movement which continues to flare up in the Moslem-majority province.

The meeting follows a series of arrests and calls to crackdown on separatism with officials agreeing the situation in Xinjiang, which borders Central Asia, was becoming increasingly tense, the newspaper said.

Punishment handed out to "officials who make comments detrimental to the stability of Xinjiang, who teach separatist ideas to the young" or edit pro-independence publications must be toughened, it quoted the committee as saying.

In particular, the harshest punishment should be meted out to those who actually take part in separatist raids including killings, the newspaper added.

It also called for action to be taken against anyone who disobeys central or provincial government orders.

"Stability in Xinjiang is important for the whole of China," it added.

In an article the week before, the daily said separatist groups were extending their influence, including among religious and political groups.

The article also went on to attack religion as an "opiate of the people."

The official press in Xinjiang have also reported on the arrests of some 1,700 "criminals and independentists" as well as the sentencing to three years in prison of a editor of an "anti-China" publication.

PRC: Xinjiang Secretary on Safeguarding Stability
OW2805051096 Urumqi XINJIANG RIBAO
in Chinese 11 May 96 p 2

[Speech by Wang Lequan, Xinjiang Uygur Autonomous Regional CPC Committee secretary, at 45th founding anniversary of the regional committee of the Chinese People's Political Consultative Conference (CPPCC) in Urumqi on 10 May 1996]

[FBIS Translated Excerpt] Members of the regional CPPCC committee, comrades, and friends:

Forty-five years ago today — on 10 May 1951 — the Xinjiang Provincial CPPCC Committee victoriously came into being; it was the predecessor of the Xinjiang Uygur Autonomous Regional CPPCC Committee. After going through 45 unforgettable years, the present regional CPPCC committee is the seventh one. Leaders of the regional party, government, and military organizations and the Production and Construction Corps, all previous and present leaders of the regional CPPCC committee, members of the National CPPCC Committee and the regional CPPCC committee and their standing committees who happen to be in Urumqi, and friends of various circles have happily gathered here today to warmly celebrate the 45th founding anniversary of the Xinjiang Uygur Autonomous Regional CPPCC Committee. On behalf of the regional party committee and the regional people's government, I wish to extend our warm congratulations and cordial regards to members of the regional CPPCC committee present here and, through you, to members of CPPCC committees at various levels throughout the region.

Comrade Deng Xiaoping once pointed out: "The CPPCC is an important organization for achieving the unity and cooperation of various parties and nonparty personages under the leadership of the Communist Party, and it is also an important form in which we develop socialist democracy and exercise mutual supervision in our political system. It enjoys very high prestige among our people of various nationalities." The history of the

CPPCC began at the same time as that of our republic. [passages omitted] In the past 45 years, CPPCC committees across the region, under the leadership of party committees at their corresponding levels, have subordinated themselves to and served the party's central tasks, effectively performed their functions, and done a lot of work in consolidating the people's democratic dictatorship, strengthening the great unity of various nationalities, consolidating and developing the political situation of stability and unity, and promoting economic development and all-round social progress in the region. Thus, they have gained experience and played an important role in the economic, political, cultural, and social life of the autonomous region. [passage omitted]

Party committees at various levels should fully understand the importance of CPPCC organizations and their work. They should be clearly aware that performing CPPCC work well is an objective requirement for upholding and improving the basic political system of multi-party cooperation and political consultation under the leadership of the Communist Party and for promoting the development of socialist democracy; it is an important guarantee for consolidating and developing the patriotic united front, achieving wide unity, resisting the schemes of hostile forces and ethnic separatists at home and abroad to "Westernize" or "divide" our country, opposing ethnic separatism, safeguarding the unification of the motherland, maintaining social and political stability, and achieving long-term peace and stability in Xinjiang; and it is an inevitable requirement for achieving the cohesive strength of the people of various nationalities; promoting reform, opening-up, and modernization; and fulfilling the trans-century target of development in the region. Meanwhile, the sites of CPPCC organizations are important places where various parties, mass organizations, and personages of various circles unite and cooperate with one another and participate in the administration and discussion of state affairs. They constitute important links or bridges for strengthening the party's ties with the masses of people; they also play an important role in strengthening democratic centralism. Through CPPCC organizations and members of CPPCC committees, we can become aware of social information and hear some criticism and suggestions that we usually can hardly hear. This is conducive to grasping actual conditions by party committees at various levels, which can better uphold and improve democratic centralism on the basis of giving full scope to socialist democracy. Therefore, performing CPPCC work well in the new period is of great significance for strengthening the building of our party committees at various levels and improving the quality of their leadership and governing. Party committees at various levels, especially their principal leaders, should fully understand the im-

portance of performing CPPCC work well in the new period, further strengthen and improve their leadership over CPPCC work, and put this work as an important item on their agenda; they should strengthen the building of CPPCC leading bodies and the CPPCC cadre ranks, give full play to the role of leading party groups and Communist Party members in CPPCC organizations at various levels, actively create conditions for CPPCC work, and bring the role of CPPCC organizations into full play.

CPPCC organizations at various level throughout the region should adapt themselves to the new situation and the requirements of new tasks and create new work conditions. The most important task at present is to act according to the requirements set by the regional party committee's recent working conference, to conscientiously study and implement the party Central Committee's important instructions on maintaining stability in Xinjiang, and to make concerted efforts to do the work of maintaining stability. These instructions on maintaining stability in Xinjiang represent a major policy decision made by the party Central Committee with foresight to ensure long-term peace and stability in the region; they also represent the further materialization of a state strategy to accelerate development of the western region and of a special state policy toward Xinjiang; they are a programmatic document concerning the long-term stability and development of Xinjiang, and they reflect the party Central Committee's greatest solicitude and support for the region as well as the common will and aspirations of the people of various nationalities in the region. These instructions have clearly pointed the direction and provided a sharp weapon for us in work, and they are of great immediate and far-reaching historical significance. [passages omitted]

It is necessary to further unify our thinking and to clearly understand the scientific conclusion and guiding principle that the main dangers to the stability of Xinjiang are ethnic separatism and illegal religious activities. The party Central Committee's important instructions on maintaining stability in Xinjiang clearly point out that the main dangers to the stability of Xinjiang at present are ethnic separatism and illegal religious activities. This scientific conclusion profoundly exposes the essence and serious harm of ethnic separatism and illegal religious activities, which represents a summing-up of our struggle against ethnic separatism in recent years. It is absolutely correct and tallies fully with our region's actual conditions. This scientific conclusion is the guiding principle and a sharp weapon for us to combat ethnic separatism and illegal religious activities, to strengthen the unity of various nationalities, to safeguard the unification of the motherland, and to maintain social

stability. In unifying our thinking and understanding, we should first do so according to this scientific conclusion reached by the party Central Committee. On this major matter of principle, a major matter of right and wrong, we must keep a clear head and take a firm and clear-cut stand.

We must regard maintaining the stability of Xinjiang as our most important political duty. Proceeding from safeguarding the unification of the motherland and the overall interests of unity, stability, and development, we must, with high political sensitivity and a strong sense of political responsibility, resolutely stand in the forefront of the struggle against ethnic separatism; we must give full play to the special role of CPPCC organizations and of members of CPPCC committees; we must confidently hold high the banner of safeguarding the unity of nationalities and the sanctity of law, unite and rely on large numbers of cadres and people of various nationalities to the maximum, and isolate and crack down on a handful of ethnic separatists and serious criminals to the maximum. In CPPCC work, we must implement the party Central Committee's important instructions on maintaining the stability of Xinjiang and the arrangements of the regional party committee's recent working conference. [passages omitted]

The party Central Committee's important instructions on maintaining the stability of Xinjiang include ever more effective and definite measures to accelerate the development of the region, pointing out that Xinjiang, with its rich natural resources, has gratifying prospects and can become a new point of economic growth in our country through some years of effort. It is a glorious task entrusted to us by history to seize the opportunity to speed up the development of the region. Development is the last word. Only by speeding up development will we be able to ensure stability. CPPCC organizations consists of personages from various circles and keep contact with people of all walks of life. They are of broad representation and are uniquely influential and appealing, and they can accomplish a lot in accelerating the development of Xinjiang. [passages omitted]

Comrades and friends, at the turn of the century, Xinjiang has entered a new stage of development in reform, opening up, and modernization. We are convinced that members of CPPCC committees at various levels in the region can certainly continue to bring about a new situation in their work and make a new and ever greater contribution to the long-term stability and development of Xinjiang under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, under the firm leadership of the party Central Committee with Comrade Jiang Zemin as the

core, with close attention paid to CPPCC work by party committees at various levels across the region, with the support and cooperation of governments at various levels and of people of various circles, and with the concerted efforts of CPPCC organizations and members of CPPCC committees at various levels.

PRC: Xinjiang People's Armed Police Take Part in Crime Crackdown

OW2705004596 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 24 May 96

[Announcer-read report from the "Xinjiang News" program]

[FBIS Translated Text] Party committees at various levels of the Xinjiang Autonomous Regional People's Armed Police Corps have conscientiously implemented the central authorities' important instructions on safeguarding stability in Xinjiang and guidelines of the work conference of the autonomous regional party committee by vigorously educating troops on combat readiness and their duties to actively safeguard stability in Xinjiang.

First, they vigorously took effective precautions and meticulously arranged work for those on duty according to the kinds of duties. Corps leaders personally went to northern, southern, and eastern Xinjiang to conduct a thorough inspection on combat readiness and work of troops, strengthen training on handling emergencies, and prepare the important areas for dealing with contingencies. Second, they conscientiously conducted education in combat readiness among all troops, so that the broad masses of officers and men could have a clearer understanding that the major threats to Xinjiang's stability are national splittism and illegal religious activities. Third, they took effective measures to reorganize combat troops so that mobile troops will always have their equipment complete and maintain their personnel at the required level, while troops, units, and groups on duty also include contingency detachments and anti-riot sub-detachments. Fourth, troops at various levels have conscientiously maintained combat readiness, so that they can go into action and are assured of adequate logistical support at any time.

Coordinating with public security components, contingency units and anti-riot sub-units in northern and southern Xinjiang have recently eradicated a number of gangs involved in explosions and homicides and have exploited the victory to forcefully awe and dampen the rampancy and arrogance of criminal elements.

PRC: Xinjiang Forms 'Quick Reaction Forces' To Fight Separatists

OW2905084496 Hong Kong AFP in English 0819 GMT 29 May 96

[FBIS Transcribed Text] Beijing, May 29 (AFP) — China is fighting a resurgence of pro-independence terrorist activity in Xinjiang with bomb disposal squads and tightened border security to halt a flow of arms from central Asia.

"We must greatly increase control on frontier crossings, put more soldiers on duty, strengthen inspection of goods crossing the border...and seriously stop weapons, splittists and reactionary pamphlets entering China," said a circular from Xinjiang's People's Armed Police that was seen in Beijing Wednesday.

"Xinjiang's quick reaction forces must be fully staffed and those troops who are on duty must have small teams to deal with emergency situations and bomb-disposal squads," said the circular, entitled "Dealing with Sudden Incidents" that was carried in the latest edition of the Xinjiang Daily [XINJIANG RIBAO].

Northwestern Xinjiang — the name translates as New Frontier — is heavily populated by a Moslem people called the Uighurs and official reports from the region have warned in recent months that terrorist bombings and other activities from pro-independence activists have increased significantly.

On April 29, police killed nine people armed with guns and home-made bombs in a bloody clash in Kuqa district and also netted a further 1,700 suspected terrorists, separatists and criminals in a six-day operation.

"The main dangers affecting the stability of Xinjiang come from national splittism and illegal religious activities," said a commentary that accompanied the circular.

"Armed forces and frontier soldiers must grasp preparation for combat-readiness and seriously implement the important instruction of the central government on defending stability in Xinjiang," it added.

Xinjiang borders the Central Asian Moslem states of Kazakhstan, Kyrgyzstan and Tajikistan, which gained independence with the collapse of the Soviet Union in 1991.

Although the three signed a border security pact with China last month to demilitarize the region and respect each other's territorial integrity, the United National Revolutionary Front in exile in neighbouring Kazakhstan claims its supporters in Xinjiang number more than one million.

They say 27 secret organizations are operating in Xinjiang and a group called the Tigers of Lop Nor killed nine Chinese officials in a car bomb in Urumqi in February.

"All frontier troops must strengthen investigation work, control and keep a close watch on the movements of splittist forces in China and abroad," the circular said.

"We must try to abolish the terrorist activities at the very beginning, and study the enemy and possible sudden

incidents and unstable factors that they might cause," it added.

In the past, sporadic uprisings in oil-rich Xinjiang have been routinely silenced, except for a short period between 1944 and 1950 during the Chinese civil war when the state of East Turkestan emerged in the region, only to be crushed when the Communist Party took control of China.

**PRC: Li Teng-hui Criticized for Avoiding
'One-China Principle'**

*OW2805125196 Beijing XINHUA Domestic Service
in Chinese 1001 GMT 28 May 96*

[Article by Jin Shi (6855 4258): "The One-China Principle Cannot Be Avoided"]

[FBIS Translated Text] Beijing, 28 May (XINHUA) — In his 20 May speech that was some 5,000 characters long, the Taiwan leader did not even say a word about the one-China principle. This has caused widespread interest and discussion among people in all circles on and off the island.

The serious retrogression [yan zhong dao tui 0917 6850 0227 6622] that has arisen since the latter half of last year in the development of cross-strait relations was basically caused by the deviation from the one-China principle by some Taiwan leaders in carrying out activities aimed at creating "two China's" or "one China, one Taiwan" in the international community. This problem should be solved once and for all if cross-strait relations are to improve. This means the Taiwan authorities should return to the one-China principle. Although the Taiwan leader said in his speech that he would not promote "Taiwan independence" and stressed the need to ease tension between the two sides of the Taiwan Strait and to "pursue" national reunification, he avoided the issue that should be settled first and foremost — the one-China principle. Can the one-China principle be avoided if we are to develop cross-strait relations and achieve national reunification?

Without a doubt, the answer is negative.

Upholding the one-China principle is the foundation for achieving peaceful reunification. It is common knowledge that a decade or so ago, the CPC and the Chinese Government put forward the basic principles of "peaceful reunification and one country, two systems" and advocated the solution of the Taiwan issue through peaceful means and political talks between the two sides of the Taiwan Strait. On 30 January 1995, President Jiang Zemin further proposed that "as a first step, the two sides can hold negotiations and reach an agreement on 'officially ending the state of hostility between them in accordance with the principle that there is only one China.' On this basis, the two sides should undertake jointly to safeguard China's sovereignty and territorial integrity and map out plans for the future development of their relations." Whether we are talking of negotiations on "ending the state of hostility" or negotiations on achieving the reunification of the two sides, we must have a basic common understanding: that is, both sides must uphold the one-

China principle and adopt practical measures to push cross-strait relations toward reunification. If the Taiwan leader really hoped, as he claimed, to "achieve national reunification through peaceful means," he should have first established the one-China principle. This is because the question of reunification exists only if we recognize that there is only one China. Is talk of "pursuing national reunification" not deceptive talk without any foundation [hao wu gen ju de qi ren zhi tan 3032 2477 2704 2207 4104 2952 0086 0037 6151] if one deviates from the one-China principle?

To improve and develop cross-strait relations, we must also uphold the one-China principle. This has been proven by facts in recent years. Thanks to the joint efforts of people on both sides of the Taiwan Strait, cross-strait relations have developed rapidly in recent years, leading to ever-stronger economic ties between the two sides and growing nongovernmental and personnel exchanges. The "Wang-Gu [Ku] Talks," which marked a historic step toward the development of cross-strait relations, yielded positive results because both sides of the Taiwan Strait recognized that there is only one China. However, the Taiwan leaders' deviation from the one-China principle since last June to openly engage in separatist activities aimed at creating "two China's" or "one China, one Taiwan" in the international community has led to a serious setback and retrogression [yan zhong cuo zhe he dao tui 0917 6850 2181 2124 0735 0227 6622] that has not been witnessed in many years in the development of cross-strait relations. This greatly affected Taiwan's economic and social life, causing strong resentment among the people of Taiwan. Under such circumstances, the Taiwan authorities had no choice but to assume an attitude that gave the impression that it was working to ease tension between the two sides. However, tension between the two sides of the Taiwan Strait has yet to ease because the Taiwan authorities have not truly adopted the one-China stand, in word or in deed, and have not stopped their activities aimed at creating "two China's" or "one China, one Taiwan" in the international community. While repeatedly speaking of the need to improve and develop cross-strait relations, the Taiwan leader scrupulously avoided mentioning the one-China principle throughout his speech [chu chu ke yi hui bi yi ge zhong guo de yuan ze 5710 5710 0466 1942 0932 6699 0001 0020 0022 0948 4104 0626 0463]. How can people not suspect his sincerity about improving cross-strait relations?

Besides avoiding mentioning the one-China principle in his speech, the Taiwan leader also claimed that "the Republic of China has always been a sovereign state," advocated "popular sovereignty" and "taking Taiwan as the main body," and signaled an intention

to "continue pursuing pragmatic diplomacy." This, in effect, amounts to the creation of "two China's," as well as an attempt to carve up China's sovereignty and territorial integrity. This amply shows that he has not abandoned the separatist line of creating "two China's" or "one China, one Taiwan," and has not created the conditions essential for easing tension between the two sides. Small wonder that the Taiwan stock market, which, to a certain degree is closely linked with Taiwan's political developments, plummeted 246 points on the day he delivered his speech. It seems the broad masses of Taiwan compatriots were not reassured by this self-contradictory pronouncement and statement by the Taiwan leader.

Has the Taiwan leader lately not spoken time and again of the need to face reality? The greatest reality that the Taiwan authorities must now face is to truly adopt the one-China stand, both in word and in deed. Only by doing so can we promote cross-strait relations and advance the process of peacefully reunifying the motherland. Only by doing so can we fundamentally safeguard the well-being of the Taiwan people and bring benefits to people on both sides of the Taiwan Strait. If we deviate from the one-China principle, we cannot speak of improving and developing cross-strait relations and achieving national reunification. The one-China principle can by no means be avoided.

PRC: Article Refutes 'Fallacy' of Two Chinas

OW2805070896 Beijing XINHUA Hong Kong Service
in Chinese 1359 GMT 21 May 96

[Article by Liu Wenzong (0491 2425 1350): "China Has Indisputable Sovereignty Over Taiwan — Commenting on the Fallacy of 'Two Chinas' Advocated by Vienna University's Fischer"]

[FBIS Translated Text] Beijing, 21 May (XINHUA) — Recently Vienna University law professor Peter Fischer openly advocated "Two Chinas" in Austria's STAN-DARD, asserting that "Taiwan has all the qualifications required of a state" and "certainly is not a province under the PRC jurisdiction." Fischer, who carries the title of "international law professor," expressed a specious view which is highly deceptive in nature; therefore, it is necessary to analyze and refute his view in order not to misguide the public opinion.

I.

Fischer asserted: "Taiwan has all the qualifications required of a state" — government, boundary, territory, and sustainability. This assertion is but a concoction and distortion by Fischer alone. According to the provisions in Article 1 of the 1943 Montevideo Convention

on the Rights and Duties of States: "A state, as a legal entity, should have the following qualifications: 1. permanent residents; 2. specified territory; 3. government; and 4. relations with other states." "The Oppenheim international law" interprets the aforesaid qualification 4 as "sovereignty." Why did Oppenheim lay great emphasis on sovereignty? It is because only a sovereign state can be a holder of international character [guo ji ren ge 0948 7139 0086 2706], can establish state relations with other states, and can join the UN and other intergovernmental organizations. An illegitimate or puppet regime — even if, to a certain extent, it has the first three qualifications — is basically not a "sovereign government" and cannot establish state relations with other states as a "sovereign state." Therefore, Oppenheim's interpretation of the qualification as "sovereignty" is entirely correct. However, Fischer substituted "sovereignty" with "sustainability" in an obvious attempt to plead for and help Taiwan get round the insurmountable obstacle of "sovereignty" in international law.

Fischer believed that because currently 32 (note: it should be 29) countries, including the Vatican, maintain diplomatic relations with Taiwan, it seems that Taiwan has the rights and duties prescribed in international law. Such a specious assertion is untenable. As is known, the "Wang puppet regime," established in Nanjing in 1940, proclaimed the establishment of "national government" with the executive, legislative, judicial, control, and examination yuans to represent the "Republic of China [ROC]" and to exercise the so-called "constitutional government" in the region ruled by the Japanese puppet regime. Moreover, it received recognition from Japan, Germany, Italy, France, and other countries; and exchanged "ambassadors" with them. The "Wang puppet regime," which betrayed the motherland and harmed the people during the brief period of its existence with the Japanese imperialists' support, did not become a "state." Therefore, we can see that "sustainability" is only a false image. The Taiwan authorities today are, in fact, the continuation of the Kuomintang regime's remnants who fled to the island after victory of the Chinese revolution; and they have relied entirely on the support of foreign forces to continue their existence until today. Without foreign support, Taiwan basically cannot talk about "sovereignty" nor can it be called a "state"; it is only part of the Chinese territory pending reunification.

II.

As a scholar of international law, Fischer had the audacity to assert that "Taiwan certainly is not a province under PRC jurisdiction." Apparently he is ignorant of the knowledge of Chinese history as well as deliberately evasive of the norms of international law

concerning the inheritance of states and governments in the event of national revolution.

As is universally known, Taiwan has been Chinese territory from time immemorial. From records of historical documents and cultural relics unearthed on language, culture and religion, ethical mores, customs and habits, and genetic connection between the people on both sides of the strait, they all bear testimony to the fact that Taiwan is an inseparable, integral part of the mainland. Governments of China's previous dynasties established administrative organs on Taiwan to exercise sovereign jurisdiction. Although in the late 19th century the Japanese imperialists launched the 1895 War and usurped Taiwan and other Chinese territories, the 1943 Cairo Proclamation, signed by China, the United States, and Britain after World War II broke out, explicitly stipulated: "Chinese territories usurped by Japan, such as Manchuria, Taiwan, and the Penghu Islands, shall be returned to China."

Following victory in the War of Resistance Against Japan, the Kuomintang Government launched a national civil war against the people. Led by the CPC, the Chinese people waged a war of the people's revolution and, after more than three years, toppled the "ROC Government" and founded the PRC in 1949. According to the provisions in conventional international law concerning rights and sovereignty inherited by the new government in the event of toppling of the old government by revolution, it is logical and natural that the PRC Government inherits all sovereignty of the former "ROC Government," including sovereignty over Taiwan. How can Fischer ignore these universally accepted norms of international law concerning the inheritance of states and governments?

Renowned U.S. international law expert Carson [name as transliterated] explained this question as follows: "According to international law, revolution and coup d'etat are law-creating facts [zao fa shi shi 6644 3127 0057 1395]." "Despite interruption of the continuity of laws by a pure revolution or coup d'etat in a country, its laws remain in force internationally." Under such circumstances, "the name of a country is not necessarily the identity of its national character [guo jia ren ge 0948 1367 0086 2706]. A country may change its name but will not lose its identity." (see Carson's "Principles of International Law" Chinese translation, pages 348, 222, and 219) Therefore, that Chinese revolution overthrew the former "ROC Government" is a fact, pure and simple. Although the PRC and the "ROC" are different in names, the PRC has continued to be the holder of China's international character under international law and, as the sole legitimate representative of China, takes over all power from Old China, "including the

sovereignty over Taiwan." This is only logical and natural. It is precisely under this principle that the U.S. Supreme Court, in the 1871 *Sapphire* case concerning whether the new French government could become the lawful representative of French sovereignty after the Napoleonic government was overthrown, stated that "the toppling of Napoleon does not affect French sovereignty" and "its succeeding government remains the representative of national sovereignty." (see Bishop, *International Law*, page 334, 1962) Moreover, since the PRC's founding, it has successively established diplomatic relations with a total of 158 countries; all of them recognize that there is but one China, the PRC Government is the sole legitimate government of China, and Taiwan is part of China. Therefore, the PRC as the representative of the holder of China's international character, including Taiwan, has been settled both by law and in fact.

III.

Fischer substituted "sustainability" for one of the essential factors of a sovereign state because he viewed Taiwan as "an extraordinary case." He believed that "the exercise of the right to rule over specified people in established territory is, in fact, tantamount to the status of a state." Obviously Fischer confounded sovereignty with the right to rule and used the latter as the legal basis for advocating "two Chinas" or "one China, one Taiwan." This is totally untenable.

Frenchman Jean Budan [name as transliterated] gave a comprehensive exposition of state sovereignty in his "Six Theses on the Republic," published in 1577. He said: "Sovereignty is a country's inalienable, unified, sustained power"; "sovereignty belonging to the people" refers to all people of a country, not people of a certain region, tribe, or ethnic group in a country. Refuting the assertion which regards the ruler in control of the legislative, administrative, and military powers of a certain region in a country as having sovereignty of that region, Budan maintained that the right to rule in a certain region is not the same as sovereignty, and only the entire national state itself is the foundation of the supreme power, "sovereignty." In other words, although remnants of the toppled Kuomintang regime continue to occupy Taiwan during a given period, their rule on the island, like the rule of the previous "Wang puppet regime," basically cannot obtain "sovereignty," because sovereignty belongs to all people and cannot be divided. Only the PRC Government, which represents all Chinese people, can exercise Chinese sovereignty, including sovereignty over Taiwan. In this connection, Britain's "Oxford Legal Dictionary" gives a similar definition of sovereignty: "In international law, legal

entities are referred to as independent sovereign states. Therefore, a state in part of a confederative country ... [ellipses as transmitted] is not a sovereign state." Obviously Taiwan has been part of Chinese territory since ancient times; it is a Chinese province and has never been a sovereign state. No matter how long the Taiwan authorities can maintain their temporary separation, they can never change the nature that Taiwan is part of Chinese territory.

With an ulterior motive, Fischer employed demagoguery in the article, asserting: "Any attack on Taiwan will infringe upon the principles of the UN Charter. The provisions in Section 4, Article 2 of the UN Charter concerning the protection of a country's territory and political independence from infringement apply to this case." This assertion is not only a brazen interference in China's internal affairs but also disregard of basic knowledge. As stated above, Taiwan is not an "independent state" both in fact and by law. How can Fischer be justified in blathering about the question of applying Section 4, Article 2 of the UN Charter? As is known to all, the Chinese Government has all along called for realizing reunification of the two sides through negotiations by peaceful means, and has worked relentlessly toward this goal. In an important speech on 30 January 1995, President Jiang Zemin clearly proposed that "Chinese should not fight fellow Chinese," and put forward feasible proposals for solving the question of political negotiations between the two sides. However, it is necessary to point out that means to solve the Taiwan question are entirely China's internal affairs which brook no foreign interference. Each and every sovereign state has the right to adopt all measures it deems necessary to safeguard national sovereignty and territorial integrity. The Chinese Government has no obligation whatsoever to tell foreign forces about the means to be used for solving its internal affairs.

China's reunification is a matter of we Chinese people ourselves. We thank foreign friends' kind concern and support. The Chinese people do not welcome irresponsible remarks by Fischer, the so-called "international law professor," who flagrantly trampled international law and willfully interfered in other countries' internal affairs.

PRC: Fujian Deputy Secretary Comments on Reunification

OW2705092896 Beijing XINHUA in English
0826 GMT 27 May 96

[FBIS Transcribed Text] Fuzhou, May 27 (XINHUA) — A high-ranking official in east China's Fujian Province - separated from Taiwan only by the Taiwan Strait - has called for creating necessary conditions and

easing up in the atmosphere for development of relations across the Taiwan straits.

The Taiwan authorities should return to the "one China" principle not only in words but also in deeds, said Xi Jinping, deputy-secretary of the provincial Communist Party Committee, at a working conference on Taiwan that ended May 21.

He added that "Fujian Province will promote economic and trade co-operation, making preparations for exchange of trade, mail, shipping and air services between the two sides across the strait.

"We will improve the investment environment, making intensive efforts to draw more investment from Taiwan," he went on to say, noting that the province will go on improving a soft investment environment, attaching great importance to simplifying formalities, increasing efficiency, and strengthening inspection on law enforcement.

Offices dealing with complaints from Taiwan-funded enterprises have gone into operation in Fuzhou and Xiamen. Similar offices will also be established in other coastal cities in the province.

"We should uphold and implement the principle of "placing more hopes on the Taiwan people and strengthen the publicity campaign to help increase the people's awareness of the country's policies and principles toward the island province, so as to contribute more to the great cause of achieving peaceful reunification for the motherland," Xi said.

PRC: Fujian Vice Governor Comments on Trade With Taiwan

OW2405120896 Beijing XINHUA in English
0801 GMT 24 May 96

[FBIS Transcribed Text] Fuzhou, May 24 (XINHUA) — Trade and economic cooperation between Fujian Province and Taiwan will certainly grow faster in the future, according to Vice-Governor of Fujian Zhang Jiakun.

Addressing a meeting on Taiwan investment Thursday [23 May], Zhang said, "The economies of Fujian and Taiwan supply each other's needs and enjoy great potential for further cooperation."

He said that economic relations between the two areas have been becoming increasingly closer over the past decade.

Fujian, which is separated by a strip of water from Taiwan, has so far approved 4,305 Taiwan-funded companies involving 7.23 billion U.S. dollars in Taiwan investment.

Zhang said that Fujian approved 135 Taiwan-funded enterprises in the first four months of this year, involving 420 million U.S. dollars in Taiwan investment, up over ten percent from the same period in 1995.

He said, "Taiwan companies have become involved in the development of Fujian's farming sector, processing industry, the service sector and infrastructure."

He praised Taiwan-funded companies as a "driving force" behind an export-oriented economy in Fujian.

He said that the provincial government will continue to encourage Taiwan companies to invest in Fujian.

Specifically, Taiwan companies are being encouraged to invest in the farming sector, basic industries, pillar industries and infrastructure.

He promised to improve Fujian's investment environment by formulating more regulations and rules governing trade and economic cooperation with Taiwan companies.

PRC: Fujian Governor Calls For Increased Investment From Taiwan

OW2405123696 Beijing ZHONGGUO XINWEN SHE in English 0929 GMT 24 May 96

[FBIS Transcribed Text] May 24 (CNS) — Fujian, a mainland province facing Taiwan across the Strait, tries to attract more Taiwanese investors by continuing to improve its investment environment, Chen Mingyi, the governor, said yesterday.

When meeting with 30 Taiwanese entrepreneurs, he said that all Taiwanese investors, especially large and medium enterprises, were welcome to come to Fujian.

The group of entrepreneurs included representatives from Taiwanese financial groups and associations of Taiwanese-funded firms and enterprises based in Fujian as well as in neighbouring Guangdong province.

Mr. Chen told his guests that to attract more overseas investment and speed up the local economic development, Fujian had to make continuous efforts in improving its investment conditions.

It is said that Changle International Airport in Fuzhou and Qingyang Airport in Quanzhou, all in Fujian, are due to undergo operation trials this year. Construction of expressways connecting Fuzhou with Xiamen and Zhangzhou, three major cities in the province, is in full swing, and is expected to finish in a couple of years.

The governor hoped that with all these improvements, more Taiwanese would visit Fujian and invest in various form.

PRC: Taiwan Businessmen Briefed on Mainland Investments

OW2605135796 Beijing XINHUA in English 1309 GMT 26 May 96

[FBIS Transcribed Text] Tianjin, May 26 (XINHUA) — A seminar briefing Taiwan business people on the mainland's investment policies and opportunities has started in the coastal city of Tianjin.

More than 30 renowned figures from Taiwan's industrial and commercial circles will spend ten days in Tianjin's Nankai University learning about the mainland's economic situation, its laws, regulations and policies.

This is the first such seminar in Tianjin and ten similar seminars are planned, said Hou Zixin, president of Nankai University.

Topics at the seminar cover the mainland's inflation, real estate, securities markets as well as legal issues concerning Taiwan businesses investing in the mainland.

A Taiwan businessman commented that it is an irresistible tendency for Taiwan-mainland economic and trade exchanges to become busier, and that the reason the seminar is being held in Tianjin is because a new wave of Taiwan investment is being concentrated in the northern coastal area of the mainland.

PRC: Guangzhou Official Welcomes More Taiwan Investors

OW2805100996 Beijing ZHONGGUO XINWEN SHE in English 0933 GMT 28 May 96

[FBIS Transcribed Text] May 28 (CNS) — Guangzhou will continue to improve its investment conditions to attract more Taiwanese investors, said Chen Kaizhi, executive deputy mayor, when he and other municipal leaders met with some Taiwanese businessmen yesterday. The Guangzhou municipal government holds an annual meeting to allow Taiwanese investors to express their views the senior municipal officials on issues of concern. Because of effectiveness of this practice, which first began three years ago, more Taiwanese businessmen came to the meeting this year than expected.

During yesterday's meeting, some complaints focused on the quarantine of animals and plants conducted by the Customs. Some Taiwanese businessmen said the goods they had exported or imported had nothing to do with either animals or plants but they were still required to go through the relevant procedures. And normally, the "quarantine" only meant to pay.

Arbitrary surcharges were also of main concern to Taiwanese investors. One of them showed Deputy Mayor, Chen Kaizhi, a RMB 170 videotape which he

had been forced to buy by certain taxation department. Chen immediately ordered to start an inquiry into this matter and to deal with those officials involved seriously.

Having answered questions raised by Taiwanese participants at the meeting, Mr. Chen reassured that the

municipal government would continue to make efforts to better its investment environment and provide preferential treatment, which would be second to none, to Taiwanese investors.

Taiwan: Li Teng-hui's Approval Rating Hits New High

*OW2805005296 Taipei CHUNG-KUO SHIH-PAO
in Chinese 18 May 96 p 2*

[FBIS Translated Text] As his inauguration as the first democratically elected president draws near, President Li Teng-hui's approval rating has reached a new high. While giving him a high approval rating, most people think the new president should make it a top priority to eliminate the mafia and money politics that has shaken the nation's foundation. The latest poll conducted by this newspaper shows that President Li's approval rating has reached 83 percent. Priority areas of governance listed by the public, in order of importance, are the elimination of mafia and money politics, restoration of public order, improvement of cross-strait relations, and economic rejuvenation. Most people think the time is not ripe for meeting with mainland leader Chiang Tse-min (Jiang Zemin).

Preparations for the 20 May inauguration of the first democratically elected president are in full swing. With a feeling typical of those preparing for joyous events, people in all circles are making arrangements to greet this historic event. According to a telephone poll of 900 adults in the Taiwan area completed by this newspaper on 17 May, the approval rating of Mr. Li Teng-hui, the first democratically elected president, has reached a peak.

Twenty-seven percent of the respondents in the poll said that they were "very satisfied" with Li Teng-hui's performance in his previous term, while 56 percent said that they were "quite satisfied." These add up to 83 percent. Those who were critical or expressed dissatisfaction accounted for 11 percent.

For purposes of comparison, the satisfaction rate for President Li hovered around 75 percent in 1995, with some 10 percent saying that they were "very satisfied." In addition to a 10-percent-or-so increase in President Li's overall approval rating, the proportion of people who speak highly of his performance has evidently increased by a sizable 17 percent. However, those who hold a negative view still account for 10 percent or so.

Although the administrative blueprint of Li Teng-hui, who has stood the test of popular will, is yet unknown, people do have a list of priority tasks for him for the next four years.

According to the poll, eliminating mafia and money politics and improving public order are the two top-priority tasks, the completion of which is eagerly awaited by the people. These are followed by stabilizing cross-strait relations and rejuvenating the economy. Other issues,

such as practicing democratic constitutional rule, pursuing pragmatic diplomacy, and building up national defense, have received relatively little public attention.

According to the poll, a political culture that combines gangsterism and the power of money has bred all kinds of vices, causing strong public resentment. As many as 25 percent of the respondents expressed the hope that Li Teng-hui will take drastic measures on a priority basis to restore order in domestic politics following his installation.

The contamination of mafia and money politics and the degeneration of judicial practices have fueled the worsening law-and-order situation. Twenty-one percent of the respondents said that an important task President Li should carry out without delay is reducing the crime rate to ensure public safety.

Recently, cross-strait relations have been moving toward rapprochement. Although people are still concerned about peace in the Taiwan Strait, they now view this matter with slightly less urgency, with 13 percent of the respondents saying President Li should make stabilizing cross-strait relations a top priority.

Public concern for economic development was very much in evidence. Twelve percent of the respondents in the poll said economic rejuvenation should be President Li's top priority. National defense and security, democratic constitutional rule, pragmatic diplomacy, and other issues received relatively little public attention.

Some people think President Li's inaugural speech will provide a good opportunity for improving cross-strait relations. Others maintain that we should not compromise, because the problems in cross-strait relations are structural and cannot be blamed on us. The poll conducted by this newspaper to ascertain these two different views among the public revealed considerable differences among the respondents.

Thirty-eight percent of the respondents in the poll said that it would do no harm if President Li slightly adjusts cross-strait policy in his inaugural speech in return for good will from the Chinese Communists and improved bilateral relations. However, 31 percent of the respondents said that President Li need not make any concessions or adjustments regarding the direction of mainland policy in his inaugural speech.

Regarding a cross-strait summit meeting between Li Teng-hui and Jiang Zemin, 47 percent of the respondents in the poll said that we should not hurry because the time is not ripe for such a meeting. Nevertheless, 21 percent of the respondents said that President Li should consider the possibility of holding a meeting with Jiang

Zemin as a way to improve cross-strait relations, which have been at a low ebb for some time.

Because President Li won a majority of the vote to become the first democratically elected president, some people think a moderate expansion of presidential power is inevitable. However, most people think constitutional rule should continue to be the basis of presidential power. Sixty-two percent of the respondents in the poll said constitutional rule should form the basis of presidential power even if the president is democratically elected. Eleven percent of the respondents favored an expansion of presidential power.

As he leads the Republic of China into a new century after taking office, President Li faces a host of thorny issues, including stabilizing cross-strait relations, improving our international status, rejuvenating the economy, and solving the problem of mafia and money politics. Do people have enough confidence in him?

The poll shows that people have the most confidence in President Li's ability to raise our international status but are not so sure of his ability to improve cross-strait relations and eliminate mafia and money politics.

Regarding his ability to raise Taiwan's international status, 31 percent of the respondents expressed great confidence in Li Teng-hui's ability to promote the Republic of China, while 39 percent said that he "might be able to" do so. These add up to 70 percent. Seven percent of the respondents said that they had no confidence in President Li's diplomatic skills.

On the issue of rejuvenating the domestic economy, 19 percent of the respondents in the poll said that President Li's personal leadership would surely lead to a rapid recovery of the domestic economy. Thirty-nine percent of the respondents were slightly skeptical, saying that the new president might be able to create another economic miracle. Nine percent of the respondents expressed pessimism about the economic prospects after Li Teng-hui takes office.

Cross-strait relations are still at a low ebb. Ten percent of the respondents expressed full confidence in President Li's ability to break the deadlock and create a win-win situation. While expressing guarded optimism, one-fourth of the respondents said that they were not quite sure of Li Teng-hui's ability to manage cross-strait affairs. Nine percent of the respondents expressed pessimism about his ability in this respect.

Although people rank mafia and money politics, a problem of current concern to the public, as a top priority for the government, they do not have enough confidence in Li Teng-hui's ability to eradicate this deep-rooted problem.

Eleven percent of the respondents in the poll said that President Li could change the situation of mafia and money politics after coming into power, while 34 percent said he "might be able to" eradicate such politics. These add up to 45 percent, less than half of the respondents. It should be noted that as many as 17 percent of the respondents were quite pessimistic about Li Teng-hui's ability or resolve to change the situation of mafia and money politics. This figure represents the highest percentage of respondents with a negative view about Li Teng-hui's ability in any given area of government.

The poll was conducted from 15 to 17 May. A total of 900 adults were surveyed, of whom men and women accounted for roughly 50 percent each. With a confidence rate [xin xin shui zhun 0207 1800 3055 0402] of 95 percent, the margin of error is 3.3 percent in either direction. The source of the poll was the telephone directory for residential houses in the Taiwan area.

Taiwan: MOFA Looking Into Detention of Fishermen in Philippines

OW2805141896 (Internet) Taiwan Central News Agency WWW in English 1337 GMT 28 May 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, May 28 (CNA) — The Ministry of Foreign Affairs (MOFA) is contacting Philippine authorities over reports that eight Indonesian-registered fishing boats and their crew of 104 Taiwanese fishermen were detained by the Philippine Navy on Sunday [26 May] for poaching. MOFA spokesman Rock Leng said Tuesday.

As of Tuesday afternoon, Leng said, three Taiwan fishing associations that maintain cooperative agreements with the Philippines had received no news from any Taiwan fishing boat operating in waters near Indonesia or the Philippines.

Officials from the Kaohsiung, Keelung, and Tungkang fishing associations are also contacting their Philippine counterparts to learn more about the reports.

According to a REUTERS report, the Philippine Navy seized eight Indonesian-registered fishing boats and detained their crew of 104 Taiwanese fishermen for poaching off southern Zamboanga City, south of Manila. An Indonesian guide for the Taiwanese crew was also in custody, according to regional Navy Commander Commodore Eriberto Varona.

The crew said they were on the way to Irian Jaya in Indonesia, but Varona argued that they had no permit to enter Philippine waters. Charges of illegal entry will be filed against them, he said.

Long said the MOFA has instructed its officials stationed in Manila to look into the incident.

Taiwan: MAC Says Government Not To Withdraw Hong Kong Offices

OW2505104196 (Internet) Taiwan Central News Agency WWW in English 0904 GMT 25 May 96

[By Lin Wenfen]

[FBIS Transcribed Text] Taipei, May 25 (CNA) — The Mainland Affairs Council (MAC) reiterated on Saturday [25 May] that the ROC [Republic of China] government will not withdraw its offices from the British colony after 1997.

MAC's senior official rebuffed Saturday a news report by Hong Kong-based Sing Tao Jih Pao that Taiwan has worked out a plan to move its Hong Kong offices to Macao after Hong Kong reverts to mainland's rule in July 1997.

Chang Liang-jea, director of Department of Hong Kong and Macau Affairs said that MAC has demanded a correction from the paper.

Chang said that the ROC government is making feasibility studies on maintaining its offices in Hong Kong after 1997. By then, the MAC will be the agency in charge of the Hong Kong offices.

Taiwan: Economics Ministry Announces 'Negative List'

OW2805112596 (Internet) Taiwan Central News Agency WWW in English 1006 GMT 28 May 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 28 (CNA) — The Ministry of Economic Affairs on Tuesday [28 May] made public an official "negative list" to control mainland imports to Taiwan. Those on the list are barred from entering Taiwan.

The list, effective on July 1, pinpoints those items banned from import from Mainland China. The move, Minister P.K. Chiang said, will give a boost to Taiwan's bid to transform itself into an Asian-Pacific business hub and help reduce its trade surplus with the mainland.

According to the list, more than 4,000 mainland industrial items, or 57.7 percent of the total mainland products, will be first allowed in, Chiang said. It will be a large jump from the current level of 25.5 percent.

The ministry, however, will not consider to adopt a "negative list" to facilitate mainland farm imports into Taiwan at the present because of the possible impact on Taiwan's farm sector, an official said. Currently, a

total of 177 mainland agricultural and farm products are allowed to enter Taiwan through a third country or area.

Taiwan: Governor Says Stability, Development Benefit All of China

OW2705143496 (Internet) Taiwan Central News Agency WWW in English 1414 GMT 27 May 96

[By Maubo Chang]

[FBIS Transcribed Text] Taichung, May 27 (CNA) — Taiwan Provincial Governor Sung Chu-yu said Monday [27 May] that Taiwan acts as a democratic beacon to Mainland China, and that Taiwan's stability and development is beneficial to the whole of China.

Sung said at a luncheon he gave to a group of visiting university professors that the Chinese Communist Party mistakenly identifies itself as the sole government of China, and wrongly considers it "a shame" that Taiwan will not soon to be under its rule like Hong Kong.

Sung said that Taiwan is not the shame, but rather the pride of Chinese because the free and prosperous island is not administered by foreigners. Instead, Sung suggested that Beijing should feel ashamed that hundreds of thousands of Hong Kong people are fleeing the British colony to take refuge in the West before it is handed over to their alleged "mother country" in 1997.

The governor said that Taiwan has been pursuing democracy and freedom, and trying to realize ROC [Republic of China] founding father Dr. Sun Yat-sen's goal of popular sovereignty. He said that the island can serve as a beacon for all of China.

Taiwan: Article Explains PRC 'Sovereignty' Over Taiwan

HK2805084896 Beijing CHINA DAILY in English 27 May 96 p 4

[By Liu Wenzong: "Taiwan No Sovereign Rights"]

[PTS Transcribed Text for FBIS] Not very long ago, Peter Fischer, a professor of international law at Vienna University in Austria, had an article published in an Austrian newspaper, blatantly advocating "two Chinas," saying that Taiwan is fully qualified to be a state, and that Taiwan is surely not a province of the People's Republic of China.

I feel it necessary to refute Fischer's view as he, with the title of professor of international law, can mislead people.

Fischer said that Taiwan possessed all the qualifications necessary to become a state, namely government, borders, territory and a long existence.

This is a distortion of international law.

According to the Convention on the Rights and Duties of States signed in 1934 in Montevideo Uruguay, a state as an entity recognized by international law should possess four qualifications — first, a permanent population, second, a defined territory, third a government and fourth the capacity to enter into relations with the other states.

L. Oppenheim, a noted English expert in international law interpreted the fourth qualification as sovereignty in his book "International Law, a Treatise by L. Oppenheim," published early this century.

Oppenheim stressed sovereignty because only with it could a state be an international entity, enter into relations with other states and join international organizations like the United Nations as a sovereign state.

Even with the first three qualifications, an illegal regime or puppet government cannot enter into relations with other states as a "sovereign state" because it is not sovereign at all.

Fischer replaced the word sovereignty with long existence because he tried to help Taiwan bypass the sovereignty "stumbling block," which can never be bypassed in international law.

The present Taiwan authorities are in fact only the continuation of the remnants of the Kuomintang regime who fled to Taiwan after the victory of the Chinese revolution in 1949.

Their existence has relied on foreign backing. Without foreign support, they could not have survived. Therefore, they can by no means claim to have "sovereignty" or to be a "state." It is simply a part of China awaiting reunification.

Fischer was either ignorant of Chinese history or deliberately sidestepping the rules of international law in saying that Taiwan was surely not a province of the People's Republic of China.

Taiwan has been part of China since time immemorial. Many governments throughout Chinese history set up administrative organizations in Taiwan to exercise sovereignty over the island.

Although Japan took over Taiwan by force at the end of the last century, the Cairo Declaration signed in 1943 by China the United States and Britain made it clear that Japan must return Taiwan to China.

At the end of the World War II Japan formally returned Taiwan to China, and the Chinese Government resumed its sovereignty over Taiwan Province.

After a civil war, which lasted more than three years, the Communist Party of China overthrew the "Government of the Republic of China" in 1949 and founded the People's Republic of China.

According to international law if a government in a country is toppled by a revolution, the new government will inherit all the rights of the old government and assume full sovereignty of the country.

So it was reasonable for the Government of the People's Republic of China to inherit the sovereign rights from the former "Government of the Republic of China" in 1949, including sovereignty over Taiwan.

How can Fischer, a professor of international law, ignore the internationally accepted norm and say that Taiwan is surely not part of China?

The reason why Fischer replaced sovereign state with "long-existence" is that he treated Taiwan as a "very special case."

To him, ruling a defined territory and population for a relatively long period is the same as possessing the status of a state.

It is obvious that Fischer mixed ruling with sovereignty and relied on this absurd mess to provide a legal basis for his advocacy of "two Chinas" and "One China and one Taiwan."

International law holds that sovereignty belongs to all the people of a state and refutes the view that a ruler who has possessed the legislation, administration and military rights of a certain region of a state, has sovereign rights over the region. Only the entire people of a state can exercise sovereignty over the region, it stresses.

So the sovereignty over Taiwan can only be exercised by the Government of the People's Republic of China which represents all the people of China. Even if the present Taiwan regime continues to exist, it cannot change the fact that Taiwan is a part of Chinese territory.

In his article, Fischer claimed that any attack on Taiwan would be a violation of the UN Charter because its Articles 2 and 4 stipulate that a state's territory can not be invaded and that it has the right to protect its political independence.

This betrays Fischer's ignorance of common sense and his wanton interference in China's domestic affairs.

In line with international law Taiwan has never been an "independent state."

China has always advocated the peaceful reunification of the mainland and Taiwan. But no matter which means

the Chinese people resort to reunify the country, it is wholly China's internal affair.

Each sovereign state has the right to resort to whatsoever means deemed necessary to safeguard its sovereign and territorial integrity. China is not duty-bound to make any pledge to foreign forces as to what action the government will take to handle its internal affairs.

The Chinese people are grateful to all foreign friends who have shown their concern and support for China's reunification.

But they are very disappointed with such a so-called "professor of international law" as Peter Fischer, who has blatantly distorted international law and made offensive remarks about another country's internal affairs.

Taiwan: Premier, MAC Official on Basic Problem in Cross-Strait Ties

OW2805122996 Taipei LIEN-HO PAO in Chinese
18 May 96 p 9

[By reporter Chiang Chung-ming (3068 0022 2494) from Taiwan]

[FBIS Translated Text] President of the Executive Yuan [Premier] Lien Chan pointed out yesterday that the problem between the two sides of the strait today is not a military nor a nationality issue. He said the biggest problems are disagreements on the issues of sovereignty and peaceful development. Chang Ching-yu [Chang King-yuh], chairman of the Mainland Affairs Council, also noted that at present there is a "problem of structure [jie gou xing wen ti 4814 2845 1840 0795 7344]" between the two sides of the strait. He said the central problem is the Chinese communists' erroneous mentality of disregarding the existence of the Republic of China and their hostility to and fear of democratic politics.

Lien Chan made the above remarks when he delivered a written speech, entitled "Outlook of Relations Between the Two Sides of the Taiwan Strait," at a seminar sponsored by the Vanguard Institute and the Atlantic Council of the United States. Chang Ching-yu expressed the aforementioned views when he delivered a speech at the seminar and was interviewed by reporters. Commenting on the problems between the two sides of the strait, Chang Ching-yu emphatically pointed out that "to untie the bell, the person who tied it is needed." He said it would be impractical if we place all hopes in President Li's inauguration speech.

Lien Chan pointed out: Viewed from the integrity of sovereignty, both sides advocate "one China." If both sides could stop here and not claim which side oc-

cupies or represents the entire country, the two sides could reach a common understanding, smoothly promote peaceful exchanges, jointly find ways of development, and jointly seek democracy and the reunification of the country.

Lien Chan noted: However, the regretful thing is that the Chinese communists still hold a hegemonic mentality and attempt to have sovereignty over the whole of China. Internationally, the Chinese communists want to represent the whole of China and totally disregard the fact of the existence of the Republic of China. This is the chief reason for the deadlock between the two sides.

Chang Ching-yu said: The Chinese communists consider the People's Republic of China the sole legitimate representative and hold the viewpoint that Taiwan is a part of the People's Republic of China. They want to force people in Taiwan to accept rule by the Chinese communists, and even use force to press us to accept the arrangement of one country with two systems. This out-moded view that "I am the central authority and you are a local government" is the key factor obstructing the reunification of China.

Chang Ching-yu said: The policy of the Republic of China is quite clear and can be seen in the national reunification program. We are seeking a unified China based on freedom, democracy, and the sharing of wealth. We have never made any move to sabotage cross-strait relations. However, in the second half of last year, the Chinese communists first took military action of a threatening nature and single-sidedly postponed negotiations and undermined mutual contacts between the two sides. He called on the Chinese communist authorities to face the fact of the existence of the Republic of China. He said, only in this way can relations between the two sides have room for development.

Taiwan: Former Presidential Adviser Interviewed on Ties With PRC

OW2805141096 Tokyo KYODO in English
1032 GMT 28 May 96

[FBIS Transcribed Text] Taipei, May 28 KYODO — Taiwan President Li Teng-hui's inauguration speech has failed to accommodate Chinese concerns about Taipei steering a course toward independence, a former presidential adviser said in a recent interview.

Liang Su-yung, who last month met with Chinese President Jiang Zemin for talks in Beijing, told KYODO NEWS that Li's speech and recent moves only revived China's impression that his actions do not match his words.

He cited as example that Li, while vowing not to pursue independence, named four members of the opposition Democratic Progressive Party (DPP), which openly calls for the establishment of a republic of Taiwan, as presidential advisers after he took office May 20 as the island's first-ever directly elected president.

Liang, who has served as speaker of Taiwan's legislature and secretary general of the ruling Kuomintang (Nationalist Party), said China does not judge Li by his statements alone, but closely observes the actual steps he takes.

He said Jiang confirmed in last month's meeting that his eight-point proposal on peaceful Chinese reunification, put forward in January last year, is still valid.

According to Liang, Jiang said Beijing is ready to discuss with Taipei any aspects of Taiwan's future merger, but not independence.

"We will respect Taiwan's interests, and Taiwan people will be in charge of politics. In contrast to Hong Kong we will not station troops on the island. We can discuss anything but independence," he quoted Jiang as saying.

Jiang also reiterated that Beijing would not renounce the use of force against Taiwan, which he said is to discourage Taiwan's pro-independence forces and to prevent foreign intervention in what China considers an internal matter.

Had two U.S. aircraft carrier battle groups deployed near Taiwan to monitor Chinese military exercises in the Taiwan Strait in March passed through the strait "it would have constituted an interference in domestic affairs," Jiang reportedly said.

Asked about the prospects for a resumption of cross-strait dialogue, suspended by Beijing in protest at Li's private visit to the United States last June, Liang said that Taipei must reassure Beijing that it is not heading toward independence.

"We must seriously aim for concluding a peace agreement which stipulates that Taiwan will not declare independence and China will not use force," Liang said.

China and Taiwan have been separated since the Chinese nationalists took refuge on the island after the communist takeover of the mainland at the end of the Chinese civil war in 1949.

Beijing's verdict on Li's inauguration speech, in which he offered to make a peace trip to China to mend bilateral ties, has been largely negative, questioning Li's sincerity about ultimate unification.

Jiang was quoted as saying in his first publicized comment on the speech last Friday that Li "is cheating

the Taiwanese people by making empty promises he cannot keep."

He reportedly complained that Taiwan had not yet made "any acceptable responses" to his eight-point proposal and urged Taipei to take "some concrete steps" to improve ties with Beijing.

Taiwan: Lien Chan Criticizes PRC Claims to Offshore Islands

OW2805141596 Taipei TZU-LI WAN-PAO in Chinese
17 May 96 p 1

[FBIS Translated Text] During the 17 May interpellation in the Legislative Yuan regarding the Chinese Communists' incorporation of such offshore islets as Kinmen [Quemoy], Matsu, and Wuchiu in their territorial waters, Premier Lien Chan pointed out: Territorial waters are an extension of state sovereignty. Our country [wo men guo jia 2053 0226 0948 1367] has made a clear statement regarding its territorial waters and economic maritime zone. "We cannot recognize, much less accept," this kind of proposition.

During this morning's interpellation, Chang Chun-hung, a Democratic Progressive Party lawmaker, pointed out: To break out of isolation, the Chinese Communists not only signed in Shanghai a treaty designed to eliminate border threats with Russia and four other countries, but they also incorporated such offshore islets as Kinmen, Matsu, and Wuchiu in their territorial waters. They even propounded the strategy of "stabilizing Hong Kong and developing Shanghai to deal a blow to Taiwan." He asked how the Lien cabinet would deal with such changes following the successful installation of the president.

In his reply, Lien Chan pointed out: We should closely follow the flurry of diplomatic activities carried out by the Chinese Communists following our presidential election. Regarding the Chinese Communists' development of relations with former Soviet Union states, he specifically "expanded" on Chang Chun-hung's question by mentioning Yeltsin's visit to the mainland.

Lien Chan stated: The international community is closely following the Chinese Communists' development of relations with foreign countries. And the Chinese Communists' lobby groups in the United States have given prominence to the development of close relations between the Chinese Communists and Russia. He observed: This is mainly intended to remind and prod the United States to strengthen relations with the Chinese Communists. This trend is discernible in their recent activities.

Regarding the Chinese Communists' announcement on the incorporation of such offshore islets as Kinmen, Matsu, and Wuchiu within the baselines of their territorial waters, Lien Chan stressed: The issue of territorial waters is an extension of state sovereignty. Our country has made a clear statement regarding its territorial waters and economic maritime zone. We cannot recognize, much less accept, this kind of proposition. He also urged the Legislative Yuan to enact, at an early date, the "Law on the Exclusive Economic Maritime Zone and Reefs of the Republic of China," the "Law on the Coastal Areas of the Republic of China and Their Adjacent Areas," and other related laws.

Lien Chan stated: The government is paying close attention to the Chinese Communists' proposition of developing Shanghai to deal a blow to Taiwan. After the presidential election, we should cope with the Chinese Communists' strategy of isolating Taiwan and dealing us a blow, by forging a consensus between the ruling and opposition parties on the basis of joint efforts and improved communication. He said: After taking office, the new president will devote himself to forging a consensus and unity so as to carve out a new international space.

Taiwan: Industry Survey Shows U.S., Japanese Trade Barriers Costly

OW2905085596 (Internet) Taiwan Central News Agency WWW in English 0729 GMT 29 May 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, May 29 (CNA) — Trade barriers have cost Taiwan hundreds of millions of US dollars annually, an industry survey shows.

The Chinese National Federation of Industries (CNFI) in a recent survey of 130 industrial associations found that about one third of Taiwan's manufacturing companies suffer from trade barriers of many kinds from Taiwan's major trading partners.

The United States is the largest source of trade barriers for Taiwan manufacturers and exporters, followed by Japan, while trade obstacles from Mainland China are increasing, the CNFI poll found.

The trade barriers included high import tariffs, quota restrictions, on-board inspection, and anti-dumping assessment, according to CNFI officials.

Excessively high tariffs are imposed on Taiwan's picture frames and sodium hydro-sulfide to the United States, stainless steel pipes to Central and South America, frozen ready-to-serve foods to Japan, textiles to South Korea, PU resin, OPP and PE products to Southeast Asia, according to the survey.

Taiwan-made textiles and garment have difficulties in edging into Europe and the United States because of quota restrictions, the survey found.

Taiwan-made steel products, including steel plates, rods, coils, pipes, and wires have been plagued by dumping charges from the United States. Japan, South Korea, Turkey and Argentina have also stepped up anti-dumping measures against Taiwan exports.

The requirement of on-board inspection from most Southeast Asian countries, Ivory Coast, and Nigeria was the major trade barrier for Taiwan manufacturers, the poll indicated.

Taiwan's footwear manufacturers found that Mainland China charges high import tariffs on semi-finished footwear and related raw materials, making them difficult to maintain operations in mainland China.

Taiwan: ASW Capabilities of Navy's New French-Made Ship Reported

OW2805141696 Taipei CHUNG-YANG JIH-PAO in Chinese 19 May 96 p 3

[FBIS Translated Text] A military source said that the ships Kangting and Chengkung may replace Yang-class destroyers. The Kangting in particular has a strong antisubmarine warfare [ASW] capability. In view of the threat of Communist China possibly using submarines for a blockade, the commissioning of the Kangting will greatly increase our sea defense capability.

The same source pointed out that the Kangting will be fitted with an MK75-type 76-mm rapid-fire gun at the A emplacement at the bow and the four-missile launching Sea Chaparral air defense system at the B emplacement. In three to four years' time, the B emplacement may be changed to the Mark 41 Vertical Launching System with Standard missiles and with vertical launch ASROC's [antisubmarine rockets].

Between the two masts of the Kangting, two sets of four-missile launching Hsiung Feng-two type antiship missile launching systems were installed. At the center of the top of the S70C antisubmarine helicopter hanger is the MK15 MOD11 Phalanx Weapons System; there is a Bofors 40-mm L/70 rapid fire gun on both sides. In addition, the Kangting is fitted with two MK32 type three-torpedo launching systems.

The same source stressed that in addition to the Jupiter-Two type long range air-surface search radar, the Kangting is also fitted with a Triton G type C-band radar, with the rotation speed of the radar antenna at 40 rpm's per minute. It can track 32 air targets simultaneously. It possesses automatic detection and tracking capability.

Target tracking information is directly fed to the Tavitac 2000 type combat command system on board.

Following receipt of target information sent by the Triton G type radar, the Tavitac 2000 type combat command system immediately evaluates the threat of the target, orders two Castor 2 B type fire-control radars on board to lock on the targets, and then attacks with the weapons aboard.

The source also said that the Spherion type high-frequency sonar at the bow of the Kangting is capable of stabilizing electronic wave beams and of handling advanced signals. It is particularly suited to operations in the shallow waters near Taiwan's coast and under a complex sonar operational environment with high interference. And the Atlas type active-traction-matrix sonar can detect sound emitted by an enemy ship without revealing its own position. Whereas the Kangting

shows its strength in antisubmarine combat capability, the Chengkang class is good at air defense operations. Therefore, in the future, the two should complement each other in operations.

The Lafayette class Kangting is the first of six frigates we ordered from France in 1991. The production of this frigate started in 1992. It embarked on a voyage home from France on 29 March. It will join our Navy as serial number "1202."

The 3,500-ton Kangting, with a length of 125 meters, width of 15.4 meters, height of 54 meters, and a normal cruising speed of 27 knots, is manned by 15 officers and 119 sailors, as well as 25 marines. It was learned that the Haining and the Kunming, the same type frigates, will return to Taiwan before the end of this year.

Hong Kong

Hong Kong: Hong Kong Aims Estimates of U.S. Special 301 Action Impact

OW2805141996 Beijing XINHUA in English
1315 GMT 28 May 96

[FBIS Transcribed Text] Hong Kong, May 28 (XINHUA) — The Hong Kong government today announced its broad estimates of the potential adverse impact of US Special 301 Action on Hong Kong's economy, urging the United States and China to find a satisfactory solution to the IPR dispute through dialogue and discussion.

On May 15, the US government published a three billion US dollars preliminary retaliation list targeting Chinese exports to the United States.

In responses, the Chinese government announced a list of counter-retaliatory measures, to be implemented at the same time as the US retaliation.

A spokesman of the Hong Kong government said that if both sides carried out their sanction threat, approximately 5.3 percent, or 13.4 billion HK dollars, of Hong Kong's re-export trade involving China and the United States could be lost.

He said that about 11,500 jobs in Hong Kong could also be lost and GDP growth could be reduced by about 0.4 percentage point in the year of incidence.

He said, "We are therefore passing our assessment to the Chinese and US governments, together with a request that they take into account Hong Kong's interests in any decisions they may take."

According to the spokesman, the assessment has not taken into account Hong Kong people's investments in China because the Hong Kong Government has no accurate information on them.

However, he said, given the substantial Hong Kong investment in the manufacturing industry in Southern China, there is reason to believe that the negative impact on Hong Kong would be greater than currently assessed.

Hong Kong: Sanctions May Cost Territory \$13.4 Billion

HK2905071296 Hong Kong EASTERN EXPRESS
in English 29 May 96 p 1

[By Sara French]

[PTS Transcribed Text for FBIS] Hong Kong stands to lose 11,500 jobs and \$13.4bn in re-export trade if the United States and China make good on threats to exchange trade sanctions, the Government announced yesterday.

An all-out trade war between Hong Kong's two largest trading partners would shave 0.4 of a percentage point off the territory's economic growth rate, according to a broad estimate released by the Trade and Industry Branch.

US sanctions would be the most damaging, slowing growth of Hong Kong's gross domestic product by 0.27 of a percentage point. Chinese counter-sanctions would cut growth by 0.13 of a percentage point.

The territory's GDP grew by 4.6 per cent last year and is officially projected to grow by 5 per cent this year.

"The Hong Kong Government does not have a seat at the negotiating table," Denise Yue, the Secretary for Trade and Industry, said yesterday. "At the end of the day, we can only urge both (the US and Chinese) governments to settle the dispute without having to invoke trade sanctions."

She said the Government had passed its analysis of the economic damage a trade war could wreak on Hong Kong to local representatives of both the US and China. "I have to accept that Hong Kong's interest will not be the determining factor, but I would like to think it would be a factor of consideration by both," Yue said.

Washington has threatened to slap "prohibitive" tariffs on US\$2bn (HK\$15.6bn) worth of Chinese exports if Beijing does not clamp down on copyright piracy and live up to the terms of an intellectual-property agreement hammered out last year under similar sanctions threats.

The deadline for action is June 17.

Beijing has vowed to retaliate by increasing tariffs on a range of US products by 100 percentage points.

Meanwhile, the Hong Kong Government said US sanctions on US\$2bn worth of Chinese-made goods could cut the territory's re-exports from China to the US by about 4 per cent, or HK\$8.5bn.

This could result in the loss of about 7,800 jobs locally once likely spill-over effects on other trading and economic activities are taken into account.

Garments and textiles are the sectors at greatest risk as they make up two-thirds of the preliminary US hit list announced on May 15. This US\$3bn list will be whittled down to about US\$2bn, the amount of sales US copyright interests claim to lose each year to piracy on the mainland.

The cuts will be made based upon feedback received during a one-month comment period.

Yue urged Hong Kong industrialists to make their views known to US officials and to forge alliances with US importers of the affected Chinese products. Written comments should reach the US government by June 14.

On the other side of the trade-war ledger, Chinese counter-sanctions could reduce Hong Kong's reexports to the US from China by about 17.7 per cent, or HK\$4.9bn. This could cost about 3,700 jobs, after spillover effects.

The assessment does not take into account Hong Kong investments in China, because the Government has no accurate information about them. Given the substantial Hong Kong investments in manufacturing in southern China, however, the Government said the negative impact was probably understated.

Hong Kong: More on Jiang Zemin's Meeting With Committee Members

OW2405114896 Beijing XINHUA in English
1124 GMT 24 May 96

[FBIS Transcribed Text] Zhuhai, May 24 (XINHUA) — Chinese President Jiang Zemin said here today that he hopes members of the Preparatory Committee of the Hong Kong Special Administrative Region [SAR] will make a concerted effort to prepare for the SAR.

In a meeting with the Preparatory Committee's mainland and Hong Kong members here for the Third Plenary Session, he said the Chinese government has already formulated the major policies for resuming the exercise of sovereignty over Hong Kong.

"Our goal is to achieve a smooth transition," he noted.

The meeting came immediately after the conclusion of Jiang's African visit. He told the committee's members, "this shows the importance that the Party's Central Committee and the State Council attach to the Preparatory Committee's work."

Jiang said the Preparatory Committee has done a lot of work since it was established. It has proposed an explanation of the Nationality Law for the Hong Kong SAR that was adopted by the National People's Congress Standing Committee and satisfied various social groups in Hong Kong.

The committee's decision to establish the Provisional Legislative Council is also a significant one for the preparation of the Hong Kong SAR and a smooth transition, he added.

He also said that the method of seeking advice used by the Preparatory Committee's Selection Committee Panel last April fully reflected the confidence of the people of Hong Kong in Hong Kong's future.

Extending congratulations to the Preparatory Committee for its work, Jiang said he believes the committee's future work will be even better.

The return of Hong Kong to the motherland is only a year and a month away, he said, adding that the present situation in Hong Kong is quite good and its economic and social development is going well.

"China's resumption of the exercise of sovereignty over Hong Kong and maintaining its long-term prosperity and stability are the common aspiration of all Chinese people," he emphasized.

"During the final stage of Hong Kong's transitional period, the Chinese and British sides should co-operate well," he said, pointing out that both sides must be aware that a smooth transition is in the interest of the Hong Kong compatriots as well as the Chinese and British themselves.

Deng Xiaoping's concept of "one country, two systems" is a very important policy for settling the Hong Kong issue, he said, adding that the key points now are that the British should look to the future, recognize the reality and realize the importance of the smooth transition of Hong Kong.

Hong Kong: Li Peng Meets Hong Kong Delegation

OW2405131296 Beijing XINHUA in English
1227 GMT 24 May 96

[FBIS Transcribed Text] Beijing, May 24 (XINHUA) — The news media in Hong Kong after July 1, 1997, will be managed by the Hong Kong Special Administrative Region (SAR) government, Chinese Premier Li Peng said here today.

Li made the remark when he met with a delegation from the Hong Kong [HK] News Executives' Association, headed by its chairman Yeung Kam Kuen.

He said the management of the news media will be in accordance with the Basic Law of the Hong Kong SAR, and the central Government will not interfere in it.

He expressed the hope that the friends of Hong Kong's news circles would often come back and see what is going in the inland areas and increase their understanding of the overall situation in the inland areas and contribute to the smooth transition and stability and prosperity of Hong Kong.

After Hong Kong's return to the motherland, Li said, its economic order, legal system and life style will remain virtually unchanged under the principle of "one country, two systems".

"The central government will not send a single official to the SAR," he said, adding that this will be beneficial to both Hong Kong's long-term stability and prosperity and China's reform, opening-up and modernization construction.

Among those present on the occasion were Ding Guangen, member of the political bureau of the Chinese Communist Party Central Committee and the member of the secretariat of the CPC Central Committee, and Zeng Jianhui, Director of the Information Office of the State Council.

The HK visitors are here as guests of the Information Office of the State Council and the XINHUA NEWS AGENCY Hong Kong Branch.

Hong Kong: More on Qian Qichen's Opening Speech; Views Committee's Work

OW2405130496 Beijing XINHUA in English
1227 GMT 24 May 96

[FBIS Transcribed Text] Zhuhai, May 24 (XINHUA) — Ensuring a smooth transition for Hong Kong must be the primary goal of the Preparatory Committee of the Hong Kong Special Administrative Region (SAR), said Qian Qichen, Chinese vice-premier and foreign minister, here today.

The remarks came in an opening speech at the Preparatory Committee's third plenary session. Qian, who is chairman of the committee, reviewed the committee's previous work and said the advice-seeking program of the Selection Committee Panel last April has gotten positive responses from the people of Hong Kong and that it has adopted many suggestions from them.

Their suggestions and opinions have been used by the panel for further discussions on the method of forming the Selection Committee and other matters, he said, so that they reached agreement on principles concerning members' qualifications, procedures, and nomination.

"It is necessary to make a full, thorough-going study before the concrete method is arrived at," he said, adding that it is also a reflection of the importance attached by the Preparatory Committee on the opinions put forth by various groups in Hong Kong.

On celebrations of Hong Kong's return to the motherland, Qian said an outline has been done by the Celebration Activities Panel, and a monument to mark Hong Kong's return has also been discussed.

In discussing the establishment of a mortgage securities corporation in Hong Kong, he said, the Economic Panel invited the president of the Hong Kong Monetary Authority to make a briefing.

"It is not only helpful for the panel members to get an overall understanding of the conditions, but also demonstrates our sincere attitude to communicate with Hong Kong officials," he explained.

Referring to the Legal Panel's work, Qian said that it had reiterated that most of the existing laws can be adopted as the laws of the Hong Kong SAR, except for those that contravene the Basic Law.

Documents, certificates, contracts, rights, and duties that are valid under the existing Hong Kong laws will also remain valid and will be recognized and protected by the SAR if they do not contravene the Basic Law, he said.

He also voiced the hope that there will be Sino-British co-operation, as the British side has expressed its willingness to co-operate with the Preparatory Committee.

"The work we are engaged in now is an important component of reunification of the motherland," Qian said. "should stimulate ourselves to do well on each item of the Preparatory Committee's work." [sentence as received]

Hong Kong: Principles for SAR Selection Committee Membership Adopted

HK2905060496 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 26 May 96 p 1

[By No Kwai-yan and Chris Yeung]

[PTS Transcribed Text for FBIS] China has adopted principles for membership of the Selection Committee which appear to allow participation by opponents of the provisional legislature.

According to a four-point resolution on the 400-member body approved by the Preparatory Committee in Zhuhai yesterday, Selection Committee candidates must be "willing to carry out their duty" to name the chief executive and the provisional legislature.

But it fell short of requiring them to support the provisional legislature, which is branded by critics as illegal.

Preparatory Committee deputy secretary general Chen Ziyang declined to say if opponents of the legislature would be disqualified.

"The principle is already very clear," he said after the meeting.

But Preparatory Committee member Frederick Fung Kin-kee said those who opposed the body should be able to join after they were nominated and then elected.

Mr Chen stressed that members would not be allowed to merely fulfil one of their two duties by appointing the chief executive and not the provisional legislature.

The Hong Kong Christian Council recently voted in favour of nominating members to sit on the selection body to choose the chief executive but not the legislature.

Democratic Party legislator Cheung Man-kwong said members of the Selection Committee would not be able to carry out their duty if they did not recognise the existence of the provisional legislature.

"Once you take part in the Selection Committee, you will face the question of the provisional legislature," he said.

On the nomination methods, the Preparatory Committee decided all local deputies of the National People's Congress — including staunch critic of the provisional legislature plan, lawyer Liu Yiu-chu — will automatically have a seat.

The resolution says the committee will comprise four categories each of 100 members. The first three will be from the business, professional and grassroots sectors. The fourth will be made up of former political figures, local National People's Congress deputies and representatives of the Chinese People's Political Consultative Conference.

The resolution adds that the Preparatory Committee will prepare a list of candidates for each of the first three categories based on nominations by the relevant groups.

The number of candidates in each category will be "considerably" larger than the number of seats, it says.

The nomination procedures for the "former political figures" category is different.

Based on nominations by groups and committee members, the chairman and vice-chairmen will produce a list of candidates.

Chinese People's Political Consultative Conference deputies will decide which of their number will take the seats.

Mr Fung, the only member who abstained from voting on the resolution, maintained that the Selection Committee should not be appointed by the Preparatory Committee.

The committee should only endorse, without making any changes, the candidates nominated by groups, he said.

Committee chairman Qian Qichen said the principles laid a sound foundation for the Selection Committee

sub-group to map out other details for a final decision at the next plenum in August.

— The plenum also adopted a resolution for the SAR [special administrative region] government to build a monument in Hong Kong to commemorate the handover.

Hong Kong: Full Text of Report by HKSAR Selection Committee Sub-group

OW2805134596 Beijing XINHUA Hong Kong Service in Chinese 1055 GMT 26 May 96

[FBIS Translated Text] Zhuhai, 26 May (XINHUA) — The opinion survey report prepared by the Selection Committee Subgroup under the Hong Kong Special Administrative Region [HKSAR] Preparatory Committee was published in Zhuhai on 26 May. The Preparatory Committee's chairmanship meeting decided to publish the report as proposed by committee members. The full text of the report follows:

On 13 and 14 of April, the Selection Committee Subgroup under the HKSAR Preparatory Committee [hereafter called Preparatory Committee] surveyed the opinions expressed by people of all circles in Hong Kong in connection with specific measures to be taken to form the Selection Committee of the first HKSAR Government. This report provides a general account of the situations relevant to the survey and also a summation of the opinions expressed by people from all circles who were surveyed.

1. Pre-Survey Preparations

The Preparatory Committee's responsibility is to take charge of preparations for the HKSAR's establishment. In accordance with the provisions stipulated in the National People's Congress [NPC] Decision on the Establishment of the First HKSAR Government and Legislative Council — a decision adopted by the Third Session of the Seventh NPC on 4 April 1990 — one of the Preparatory Committee's major missions is to form the HKSAR Selection Committee. The committee will be composed of 400 members who are permanent Hong Kong residents. When the Selection Committee is formed, it will, through opinion surveys or post-survey nomination, select the first chief executive and report to the Central People's Government for appointment. Then, the chief executive will be responsible for forming the first HKSAR Government and selecting officials of key offices and reporting them to the Central People's Government for appointment. In accordance with the relevant provisions stipulated in the Decision of the NPC HKSAR Preparatory Committee on forming the HKSAR Provisional Legislative Council — adopted by

the Second Plenary Session of the Preparatory Committee on 24 March 1996 — the Selection Committee shall also be responsible for forming the HKSAR Provisional Legislative Council. Therefore, forming the Selection Committee is a priority task in preparing the establishment of the HKSAR — a task that has an important bearing on the whole situation and the vital interests of the vast number of people in Hong Kong. Due to the fact that the formation of the Selection Committee is based on the opinions expressed by the vast number of Hong Kong people and is in line with the principle that the committee must cater to the Hong Kong people's needs and have their support, the Preparatory Committee has decided that opinions be surveyed by its Selection Committee Subgroup.

To make sure that all trades and professions have some representative groups and representatives take part in the survey so that it can be as broad as possible, the Selection Committee Subgroup and its four sub-divisions fully discussed relevant matters before the survey and then came up with a list of names of people of all trades and professions whose views were to be surveyed. On that basis and long before the survey, the Preparatory Committee Secretariat's Hong Kong office sent invitations to the relevant groups and personages, requesting them to take part in consultative meetings called by the Selection Committee Subgroup. A total of 1,502 invitations were sent. To coordinate the Selection Committee Subgroup's survey, the Preparatory Committee Secretariat also made an announcement in major Chinese and English newspapers in Hong Kong on 2 April, requesting people of all circles in Hong Kong to use various means to express their views on matters concerning Hong Kong's smooth transition.

2. The Main Issue on Which Opinions Were Surveyed and the Basis of Common Understanding

Specific measures for forming the first HKSAR Government Selection Committee was the main issue on which opinions were surveyed. In the invitations it sent out, the Preparatory Committee Secretariat's Hong Kong office clearly stated the main issue on which opinions were to be surveyed. It stated clearly in the invitation that the Selection Committee would have two responsibilities or assignments to carry out; and, on the basis of this common understanding, it urged the organizations and personages to express their opinions on the formation of the Selection Committee.

The overwhelming majority of organizations and interviewees identified themselves with the basis of common understanding stated in the invitations, with the exception of the Hong Kong Association of Educational

Professionals. After receiving the invitation, the association's executive council issued a public statement, stating that it opposed the establishment of the Provisional Legislative Council and "conditional" opinion survey and dialogue; that it totally disavowed the common understanding on the Selection Committee's two assignments as stated in the invitation; and that it insisted that the tenure of the Legislative Council formed in 1995 should expire in 1999 and that the HKSAR chief executive should be elected on a one-person-one-vote basis. In view of the fact that the association totally negated the Basic Law and the decisions made by the NPC and the Preparatory Committee and that the association's executive council did not demonstrate the slightest sincerity about taking part in consultations, the Preparatory Committee Secretariat decided to revoke the invitation for the association and, at the same time, welcomed other association members to use other channels to present their views about forming the Selection Committee on the basis of the Basic Law and the decisions of the NPC and the Preparatory Committee.

3. The Method and Scope of the Survey

The survey was conducted primarily through holding consultative meetings. These meetings were called by the four divisions established under the Election Committee Subgroup. The four divisions were established according to the Selection Committee's four sections: The section of industrial, commercial, and financial affairs; the section of professionals; the section of laborers, the grass-roots public, and religious figures; and the section of political figures. Each of the four divisions held a consultative meeting for half a day every day. Altogether 16 meetings were held. A total of 445 people representing 363 organizations attended the meetings. Also present at the meetings were 626 other people who attended the meetings in an individual capacity. A total of 1,071 persons attended the meetings. Preparatory Committee Vice Chairmen Lu Ping, Zhou Nan, Li Fushan, Dong Jianhua, and Liang Zhenying attended some of the meetings.

Those attending the consultative meetings included representatives of all large chambers of commerce, regional chambers of commerce, and foreign chambers of commerce in Hong Kong; and representatives of all social strata and all trades and professions in Hong Kong, including those from commercial sectors — real estate, construction, import-export trade, wholesales, retail sales, tourism, banking, financial service, insurance, industry, communications and transportation, and telecommunications; those from the educational, medical, science and technology, art, sports, and publishing circles as well as the media; those representing workers,

women, young people, and religious figures; and former political figures, deputies to the Eighth NPC and members of the Chinese People's Political Consultative Conference National Committee who were in Hong Kong, Hong Kong affairs advisers, and regional affairs advisers. Prior to attending the meetings, many participants fully prepared themselves by soliciting views of people within their respective trades. The meetings provided the venues for all kinds of views.

During the opinion survey period, the Selection Committee Subgroup also received more than 100 written opinions from people of all circles. The subgroup also attached great importance to the views that people of all circles in Hong Kong expressed in newspapers, magazines, television stations, radio stations, and other media. Each day, the Preparatory Committee Secretariat and its Hong Kong office assigned staff members to collect and sort these views.

4. Views Presented During the Survey

People of all circles attending the consultative meetings universally maintained that the formulation of specific measures for forming the Selection Committee was of great significance, because it would have a direct impact on the sort of person selected as the first HKSAR chief executive and the sort of Provisional Legislative Council formed. They said the measures must be cautiously and reliably drawn up because they would be closely related to Hong Kong people's future and destiny. The views expressed by people of all circles can be summed up as follow:

I. Principles To Be Followed in Formulating the Concrete Measures for the Formation of the Selection Committee

1. The Selection Committee Should Be Very Representational

Many people pointed out that, in accordance with the relevant provisions adopted by the NPC, the Selection Committee should be very representational, because this is the only way for the Selection Committee to win the universal recognition of Hong Kong society, thus enjoying a fairly high degree of acceptance, which is also beneficial to the smooth operation of the Selection Committee after it is formed.

They also pointed out that the Selection Committee should broadly represent personages of all strata, trades, professions, and sectors. It should absorb industrial and commercial elites as well as representatives who have served in Hong Kong's grass-root organs for a long time. Many people, including representatives of foreign Chambers of Commerce, expressed the wish

of their trades, professions, and groups to participate in the Selection Committee. Some women representatives emphasized that a certain number and ratio of women should be included in the Selection Committee to demonstrate that women enjoy full rights of deliberation and administration of political affairs in contemporary society. Some suggested that women should occupy 20 percent of the seats in the Selection Committee. Personages from youth circle suggested that one-fourth of the Selection Committee should be made up of young people to embody the principle of integrating old, middle-aged, and young people. Many people pointed out that the Selection Committee should include foreign nationals. Particularly for those Indian and Pakistani residents as well as other foreign personages with permanent residency who were born in Hong Kong and have been living and working in Hong Kong for a long time and have made contributions to Hong Kong society, they should have an opportunity to participate in the Selection Committee. Some people specifically suggested that relevant regulations of the First Legislative Council and the Provisional Legislative Council could be used as a reference for the ratio of foreign nationals and personages with foreign residency in the Selection Committee and that it was advisable that this ratio not exceed 20 percent. Many people also pointed out that, not only should the Selection Committee be extensively represented, but also its members should have a degree of reputation and influence in their own trades, professions, and sectors.

2. The Preparations for the Establishment of the Selection Committee Should Conform With Relevant Regulations Adopted by the NPC

Many people pointed out that some regulations on the formation of the Selection Committee as specified in Article Three of the "Decision of the National People's Congress on Ways To Produce the First Government and Legislative Assembly of the Hong Kong SAR" adopted at the Third Session of the Seventh NPC on 4 April 1990 should be observed.

3. The Formation of the Selection Committee Should Embody the Principle of Democracy, Fairness, and Openness

Some people said that it is in the Preparatory Committee's power to form the Selection Committee. The whole process for its formation — from the formulation of the method for producing the Selection Committee, the recommendation of the candidates, the announcement of the namelist of candidates, and the final election of its members — should be conducted in a democratic way. The broad masses of Hong Kong residents should be allowed to participate in the process and their opinions

listened to. On the basis of widely soliciting opinions expressed by people of all trades, professions, and sectors, the namelist of recommended candidates could be properly screened for the decision of the Plenary Session of the Preparatory Committee. While participating in the decisions on relevant matters, members of the Preparatory Committee should be fair and clean without being swayed by personal considerations. Matters such as qualification of the members of the Selection Committee, procedures concerning the production of the members of the Selection Committee, and namelists of the candidates recommended by all trades, professions, and sectors should be published as fully as possible to allow a degree of transparency.

II. Regarding the Qualification for the Members of the Selection Committee and Qualification Examination

Personages of all circles entertained the common opinion that the members of the Selection Committee should be equipped with certain qualifications and conditions. Regarding these qualifications and conditions, personages of all circles put forward the following opinions, which were almost unanimously held:

1. They should be permanent residents of Hong Kong.
2. They should support the principle of "one country and two system" and the Basic Law.
3. They should agree with the two tasks of the Selection Committee; that is, producing by commendation the first Chief Executive and producing by election the Provisional Legislative Council.

Some people also suggested some other qualifications such as showing patriotism for the country and Hong Kong, having a sense of recognizing the state and the Chinese nation, willing to be loyal to the HKSAR and serve Hong Kong residents, being equipped with fairly good personal qualities and integrity, having some degree of capability and experience in social work, having worked in Hong Kong for a long time, and having no criminal record.

Many people pointed out that it is necessary to make it clear whether the abovementioned terms of permanent residents should be defined in accordance with Hong Kong's current laws or with the relevant regulations of the Basic Law. They also pointed out that the concrete meanings of the word "support" should be specifically defined. An overall consideration is needed because this problem will also emerge while defining the qualifications for the members of the Provisional Legislative Council. Some people pointed out that, since the qualifications for the members of the Selection Committee should be defined in legal terms, "showing

patriotism for the country and Hong Kong" — although generally required for the members of the Selection Committee — is not suitable for inclusion as one of the qualifications. It would be difficult for foreign personages to meet the requirement of "patriotism." Some people pointed out that being equipped with fairly good personal quality and integrity, having some degree of capability, having worked in Hong Kong for a long time, and having no criminal record can be factors for consideration when the Preparatory Committee screens and examines the qualifications of the candidates but do not need to be listed as basic qualifications. Some people suggested that the Preparatory Committee should formulate qualification standards for easy operation and implementation.

Some people suggested that the Preparatory Committee should be all-embracing and allow people with different political opinions to participate in the Selection Committee. Some people advocated that, except for the requirement of being a permanent resident as stipulated by the NPC's regulations, no other requirements are needed.

Many people pointed out: The reason that it is necessary to emphasize that members of the Selection Committee should meet certain qualifications is determined by the importance of the Selection Committee. The work of the Selection Committee has a great bearing on the whole process of establishing the HKSAR and on the future and destiny of Hong Kong residents. The participation of the Selection Committee is a solemn and important work, requiring that consideration be given to the qualifications of the members of the Selection Committee and the heavy burden shouldered by the Selection Committee. Therefore, it is necessary to examine the qualifications of the candidates for membership of the Selection Committee.

Some people advocated that the concrete work of examining the qualifications be carried out by each recommending and nominating group, with all candidates filling out standardized forms and the Preparatory Committee's chairmanship meeting reserving the examination right. Some held that the organ taking charge of the examination of the qualifications should take the overall situation into consideration and should also handle complicated and sensitive issues. They suggested that the Preparatory Committee's chairmanship meeting should be responsible for the qualification examination work. Some other people suggested forming a special group for examining qualifications.

III. Regarding the Specific Methods for the Formation of the Selection Committee

1. Methods for Making Recommendations

There are mainly the following opinions:

a. Some think that members of the Selection Committee should be recommended by organizations and groups only. Since there are many groups in the business, financial, specialists, labor, and religious circles and at the grass-roots level, if members of the Selection Committee are recommended by those organizations and groups that have distinct prestige and influence, we can guarantee the representative nature of the candidates. As to candidates of the original political circles, due to the small number of organizations, some people think they may be recommended by other groups. However, some people have the view that the original political circle includes many fields and people and that candidates from the old political circle cannot be recommended by just certain groups. They suggest that the namelist of candidates from the original political circle should be put forward by the chairmanship committee after taking the situation of various sides into consideration.

There is also the view that some people who love the country and Hong Kong and are willing to make contributions to the establishment of the SAR, but they have not joined any group. Therefore, the method of making recommendations by groups may overlook those people.

b. Some hold that both groups and individuals in the society may recommend candidates, and they may even recommend themselves. In other words, it will be completely open during the period of recommendation. People of the original political circle may be recommended by a group of original officials or may recommend themselves. In this way, there will be more channels to recommend candidates and the scope of selection will be wider. Only by recommending candidates from an extensive scope, can the concerned organization of the Preparatory Committee, such as the chairmanship committee, screen candidates from a more extensive list of candidates.

Some have a different opinion. They think that recommendation by individuals may be too extensive and will lose the representational nature. They cited an example, saying that if individuals are allowed to recommend themselves, a person could easily collect 10,000 signatures from the Star Ferry dock, but this would not prove his representative characteristics. It will only lead to soliciting votes from the streets.

c. Some suggest that candidates should be mainly recommended by groups with the supplementation of recommendation by members of the Preparatory Committee.

In this way, the problems of the original political circle and those who have not joined any group may be solved. Meanwhile, recommendations by individuals should be limited within the Preparatory Committee so as to avoid recommendations by too many people.

However, some have the view that if only members of the Preparatory Committee are allowed to recommend candidates, people would have the impression that members of the Preparatory Committee have some sort of special privilege.

d. Some suggest that candidates should be mainly recommended by groups with the supplementation of recommendation by the Preparatory Group, which should set up four supplementary selection groups. In other words, the four supplementary groups of the Preparatory Committee would make recommendations to make up for the inadequacy of recommendation by various organizations and groups in the society. This would also remove the pressure of individual members of the Preparatory Committee making recommendations and avoid the situation in which they might be criticized. Besides, the four supplementary groups are more familiar with their respective circles and can put forward appropriate candidates.

e. Some suggest that candidates should be recommended based on the method of establishing a consultation committee. Many participants have mentioned a method for establishing the consultative committee and think it can be used for reference. That is to say, the Preparatory Committee should decide a list of recommendation groups and let those designated groups to recommend a certain number of candidates. The number recommended by those designated groups should be the majority. Some think that recommendation by designated groups may not be able to recommend candidates from all circles, some candidates may be recommended by the Preparatory Committee through discussion, similar to the method taken by the consultation committee. Some point out that deputies from Hong Kong to the National People's Congress studied various methods during the period of the establishment of the Preparatory Committee and many deputies tend toward the combination method. Some made a specific suggestion, namely the ratio of candidates recommended by groups and the candidates decided by the Preparatory Committee should be six to four.

2. How To Determine Organizations That Are Qualified To Make Recommendations.

People of various circles generally felt that organizations that are qualified to make recommendations means professional organizations, functional constituencies, business organizations, and other relevant organi-

zations of major sectors of society. Political organizations such as political parties are excluded.

Some people felt that organizations qualified to make recommendations should be those registered organizations generally recognized and represented in different Hong Kong sectors and having a certain status and influence. The namelist of these organizations may be determined by the Preparatory Committee. This will ensure that the candidates recommended will be more representative and acceptable. Extensive considerations, including whether concerned organizations have a long history and the degree of influence, should be made when setting specific standards for determining organizations that are qualified to make recommendations. We should not just use their size and membership numbers as standards.

However, some people held that all legally registered organizations in different sectors should participate in making recommendations. These people proposed to expand the scope of organizations that are qualified to make recommendations. Meanwhile, they felt it necessary to consider changing existing social regulations on the registration system for the establishment of organizations to an announcement system. To prevent provisional establishment of a certain number of organizations for the purpose of obtaining the right to make recommendations, restrictions may be imposed on the time limit of registration of organizations qualified to make recommendations, such as limiting the right to those registered prior to the formation of the Preparatory Committee.

People from professional sectors made many suggestions on ways to classify professional organizations. First, some people stressed that the strict definition should be adopted for a profession. They said that nine professional organizations, including the engineering sector, accountancy sector, and legal sector recently held discussions on the definition of a profession. They held that a profession should meet certain conditions and possess certain characteristics. These are mainly, first, professional qualifications should be obtained through special study, training, and examination, and a professional should possess special knowledge; second, a profession should have an organization specified by the law or recognized through other legal procedures; third, a profession should have its own rules and regulations on such areas as professional etiquette and penalties for those who violate the rules; fourth, a professional organization should be formed by professionals who have practiced their skills for a considerable length of time or even a whole lifetime. Still, some other people stressed that a professional organization should be internationally recognized. They further pointed out that a pro-

fession is different from a business or an occupation. A professional may engage in different businesses or occupations and may change these in a shorter time. However, a profession is a stable and long-term career. Because of this, some people felt that publishing, media, literary and art, and sports should not be considered professional sectors.

However, some people felt that a profession should be understood in a broad sense and should not be restricted to those larger-scale professions. For example, the professions under the current nine major professional organizations should be broadened. Representatives of the nine organizations also said that their opinions on the definition of a profession did not mean that they wanted the Preparatory Committee to limit the number of professional organizations to the nine of them. Besides, some other people pointed out that consideration should be given to stipulations of Article 142 of the HKSAR Basic Law and the definition of a profession be linked with that article. Some professional qualifications, such as traditional Chinese medical practice, are currently not recognized by the British-Hong Kong government. However, in consideration of future development, organizations of traditional Chinese medical practitioners could be included into the list of organizations qualified to make recommendations. People from the social work sector pointed out that, since social workers need stronger professional qualities, that sector leans toward its recognition as a professional sector.

Many people held that the Preparatory Committee should make a more specific and clear definition on professions and then determine the scope of professions based on this. Some people suggested that the Preparatory Committee may refer to the Legislative Council's election method for functional constituencies and the development of professions in recent years to determine the namelist of organizations from different professional sectors.

Representatives of many organizations stressed that people from different sectors and organizations should be included in the Selection Committee or even the Interim Legislative Council. Representatives of many organizations of science and technology, sports, and literary and art pointed out that the division of sectors was not accorded importance in the past and expressed the hope that they would be represented in the Selection Committee or the Interim Legislative Council. An individual organization may not be represented; but, as individual sectors, science and technology, sports, and literary and art should be represented.

3. The Issue of Whether To Allot a Quota for Recommendation

Many people felt that the relevant NPC decision has specified that 100 places will be allotted to each of the four groups of people. As long as the total number from major sectors does not exceed 100 people, it is not necessary to elaborately apportion the 100 people, particularly to various specific organizations. Otherwise, some organizations will be allotted more places whereas others will get fewer places. This could easily create contradictions and splits in the society. Further, it would be quite difficult to implement the allotment task.

Some people proposed allotting quotas to various organizations, which in turn would recommend the candidates in accordance with the assigned quotas. They felt that this would prevent a large volume of screening work, reducing the pressure on the chairmanship committee of the Preparatory Committee.

Some people felt that, if there were no allotment or restrictions on the quota and if organizations were free to make recommendations, the total number might top 1,000 people or more. Therefore, they proposed that, at the very least, a maximum limit be set on the quota.

4. The Issue of Whether Cross-Sector Recommendations Are To Be Allowed

Some people suggested that cross-sector recommendation should be allowed. The reason is that some organizations or people might have a better understanding of, or be more familiar with, people from other sectors. For example, people from the banking circle have more contacts with the legal and construction sectors, and they might recommend people from these sectors. Therefore, cross-sector recommendations should not be restricted. Further, this would solve the problem of recommending certain suitable people who do not belong to organizations.

Other people felt that cross-sector recommendations should not be allowed. This is because those who make the recommendations would know best about persons of the same sector and that recommendations made by organizations only from within the same sector would be representative.

5. The Issue of Whether a Person Can Be Recommended by Several Sectors and Organizations

Some people held that many Hong Kong people possess the background and identity of several sectors simultaneously. In particular, the number of people from the fourth group who possess dual status is more than that from the first three groups. Therefore, it is possible for several sectors and organizations to recommend the same person. The Preparatory Committee's chair-

manship committee could make a decision about which sector a person would be nominated from after taking the overall situation into account or after seeking that person's opinion.

There were people who thought that one person could solicit a nomination from only one sector and be recommended by organizations of that sector. He would have to make a choice when relevant sectors and organizations seek his opinions during the stage of recommendations.

6. The Issue of How Organizations Decide Upon a Candidate They Recommend or Nominate

Some people felt that organizations that are qualified to make recommendations could decide upon their own methods for recommending candidates. Currently, organizations have existing methods and procedures for deciding upon relevant matters. Some other people suggested that a person registers with his organization, which then reports the candidate to the Preparatory Committee according to the facts. Thus, the relevant organization does not make recommendations but submits only a namelist to the Preparatory Committee.

7. Screening Organization and Process

Many participants suggested that candidates recommended by groups or nominated through other methods should be screened by the chairmanship conference of the Preparatory Committee, while some participants suggested establishing a special selection group to screen candidates or let the selection panel of the Preparatory Committee screen the candidates. Still others held that the opinions of various groups that recommend candidates should be respected and that the screening procedure is unnecessary.

Some participants suggested that the namelist of recommended candidates should be made public and that the namelist of candidates after being screened should also be made known to the public. The candidates should not keep their recommendation secret. It is not necessary to publish the namelist of candidates in the newspaper, but the namelist may be obtained from the Secretariat. The Preparatory Committee would not have to make any further explanation regarding those candidates.

8. The Plenary Meeting of the Preparatory Committee Made a Decision on the Method of Selecting Candidates

Most participants are in favor of letting the chairmanship conference of the Preparatory Committee put forward a namelist of candidates and let the plenary meeting of the Preparatory Committee make the decision by vote. The election should be conducted in the form

of secret ballot, and there should be more candidates than posts. Each person can select only one candidate. The election is to be conducted in the order of the four groups of the Selection Committee, and the number of members to be elected in each group may be different. Some participants suggested that the number of members to be elected from candidates for each group should be flexible and depend on the recommendation situation.

Concerning the difference in the number of candidates and the number of posts, there are many different opinions. The extent of the difference between the number of candidates and the number of posts suggested by people of various circles ranged from 5 percent to 200 percent or even greater. Those who were in favor of a small difference held that, in this way, votes can be concentrated for candidates and that too many candidates would reduce the representational nature. Those who were in favor of having a larger difference held that, if the difference is too small, those who are not elected will feel embarrassed and the candidates may become divided (fen hua 0433 0553). Therefore, they held that the difference should not be too small and also noted that a larger number of candidates may reflect a more democratic flavor. Most participants held that the difference should be from 20 to 50 percent, namely having 480 to 600 candidates.

In addition, some participants called for recommending 400 members of the Selection Committee through consultation. They held that selection by democratic consultation is also a democratic form.

IV. Questions Concerning Specific Methods for the Formation of the Selection Committee

1. People of various circles all pointed out that members of the Selection Committee must act as individuals in the Selection Committee and must not represent certain circles and groups in making selections. When selecting the first chief executive and members of the provisional legislative council, members of the Selection Committee must take the entire and long-range interests of Hong Kong into consideration and must not focus on the interests of their respective groups. Otherwise, their position in selecting the chief executive and other issues might not be impartial.

2. Regarding the method of recommending people from religious circles, some people from religious circles pointed out that, in recommending candidates, it is necessary to abide by the principle of separating religion from politics. In other words, religious groups should not have contacts with political organizations. Therefore, religious organizations should not directly recommend candidates to the Preparatory Committee. Concerned people suggested that it could follow the

method of selecting representatives from the religious circles for the Consultation Committee. The leaders of the six major religious sectors could form a joint committee, and members of the joint committee could recommend candidates in their own names.

3. Concerning the question of whether public servant can join the Selection Committee, some groups of public servants pointed out that, if there are representatives from the 180,000 public servants taking part in the Selection Committee, it would make the Selection Committee very representational. All people in Hong Kong should actively take part in the preparations for the establishment of the Hong Kong SAR. Membership on the Selection Committee for public servants would not be contradictory to their maintaining political neutrality. The specific method is that public servants should join the Selection Committee through their specialized groups or religious sectors. If public servants are further elected to be members of the provisional legislative council, they only need to temporarily leave their current posts and can return to their official posts at the end of the provisional legislative council. Members of police groups said that, due to the special characteristics of their job, it would be inappropriate for them to take part in the Selection Committee.

Some public servant groups held that it is necessary to handle the matter in a very careful manner since it may involve the question of divided loyalties.

V. Conclusion

The Preparatory Committee unfolded large-scale consultations before devising the method for forming the Selection Committee and extensively solicited opinions from residents in Hong Kong. This was a concrete demonstration of the fact that the Preparatory Committee has implemented a policy of being geared to the needs of, and relies on, the residents in Hong Kong. The situation in which people of various circles have eagerly taken part in the consultation activity showed that Hong Kong residents are greatly concerned about and paid good attention to the formation of the first Selection Committee and that they have supported the work of the Preparatory Committee. Although a handful of people slandered the consultation activity of the Preparatory Committee as a sham consultation and even resorted to such activities as sit-in, making appeals, and hunger strikes; in general, the current consultations have achieved positive results in Hong Kong society. The consultations were democratic, open, and successful.

People from various circles have made a lot of constructive suggestions on specific methods for forming the Selection Committee. The panel for the Selection

Committee has studied those suggestions in a thorough manner. Those suggestions have formed a foundation of public opinion and can play the role of absorbing all beneficial views. The Preparatory Committee will fully study and adopt related suggestions. In the press communique following the consultation activity, the panel for the Selection Committee expressed its gratitude to people from various circles in Hong Kong for their help in the smooth implementation of the consultation activity and welcomed additional opinions and suggestions in various forms from people of various circles.

Hong Kong: XINHUA Official Views Handover of Political Power

*HK2905065096 Hong Kong WEN WEI PO in Chinese
29 May 96 p A12*

[Report: "Zhang Junsheng Says Handover of Political Power Should Be Conducted Between Chinese and British Governments Rather Than Between Hong Kong Governor and SAR Chief Executive"]

[PTS Translated Text for FBIS] In answer to a reporter's question yesterday, Zhang Junsheng, deputy director of the XINHUA Hong Kong Branch, said: The Chinese side has never said that the Hong Kong Governor must not attend the political power handover ceremony but only said that the handover of political power is one between the Chinese and British Government rather than between the Hong Kong Governor and the special administrative region [SAR] chief executive.

When Zhang attended the inaugural cocktail party of the Hong Kong Federation of Journalists yesterday, a reporter asked: In a media interview the other day, Director Lu Ping said he was ready to say goodbye to the Hong Kong Governor at the political power handover ceremony, does this mean that the Chinese side has accepted the Hong Kong Governor's participation at the handover ceremony?

Zhang replied: If, at that time, all the people attending the ceremony, meet one another, and finally say goodbye, this is a manifestation of being courteous. What's strange about it? But this has nothing to do with the question of whether the current discussion on the political power handover ceremony at the Joint Liaison Group has reached agreement or not. Both parties have yet to reach agreement on the question of the handover ceremony.

Talking about the question of whether the Chinese side has accepted the Hong Kong Governor's participation at the political power handover ceremony, Zhang said that it is a matter for the British side whether Hong Kong Governor Chris Patten will be sent to attend the ceremony or not. The Chinese side has never said that

the Hong Kong Governor must not attend the ceremony but only said that the handover of political power is one between the Chinese and British Government rather than between the Hong Kong Governor and the SAR chief executive. Zhang also reminded reporters that there will be the handover of political power rather than sovereignty in 1997 because the sovereignty over Hong Kong always belongs to China and this has been incorporated in the Sino-British Joint Declaration. He hoped friends in the press circle would take this into account when discussing this issue. Otherwise, it will be inconsistent with the spirit of the joint declaration.

Asked whether Director Lu Ping's talks with an American Broadcasting Company reporter means that the Democratic Party can continue to exist after 1997, Zhang said: I have read the report quoting Director Lu Ping as saying that so long as the political parties in Hong Kong observe local laws after 1997, they can continue to exist and can join in elections. He did not say anything about demoracts. It is of course like this. So long as Hong Kong's institutions and political organizations are legitimate and observe the laws, including the Basic Law and the other laws of Hong Kong, they can exist.

Talking about the question of the provisional legislature, Zhang said: The question of setting up the provisional legislature is a fait accompli. There is no need to discuss any more about whether it should be set up or not. We have made it very clear in the past that because the British side has underlined the "through train" arrangement, there must be a provisional legislature when the SAR is set up. It will not have a very long term of office—a year or so, and it can pass some necessary laws.

Hong Kong: Editorial: Lu Ping 'Shatters' Patten's 'Myth'

*HK2905084096 Hong Kong WEN WEI PO in Chinese
29 May 96 p A2*

[Editorial: "Lu Ping Shatters Chris Patten's 'Myth'"]

[PTS Translated Text for FBIS] As Hong Kong is an international commercial port and many countries have investment here, they are naturally concerned about its smooth transition. It will be very important for the Chinese Government to vigorously publicize to the international community in the years ahead Hong Kong's practice of "one country, two systems," the Basic Law, and the policy of keeping the existing system and lifestyle unchanged for 50 years.

Chinese embassies and consulates abroad have received orders to vigorously publicize to the officials, the

commercial circles, and Chinese nationals residing in the countries concerned the Chinese Government's basic principles and policies towards Hong Kong, which are aimed at ensuring Hong Kong's smooth transition, prosperity, and stability.

In the four years since Chris Patten came to Hong Kong, he has continuously played the international card and adopted the means of quoting out of context and distortion to concoct facts to foreigners who do not understand Hong Kong's reality, "discredit" China's policies toward Hong Kong, "obliterate" the prospects of the Hong Kong special administrative region (SAR), "throw mud" at figures from Hong Kong's industrial and commercial circles, and mislead international figures in an attempt to draw these people to support his policy of confrontation and create a myth: Without British rule after 1997 and without extension of Patten's policies in which he drastically altered Hong Kong's existing political systems and laws, it will be difficult to rule Hong Kong, a place thrown into disorder and turbulence. In other words, the broad ranks of Hong Kong compatriots will be totally incapable of ruling Hong Kong. Therefore, Hong Kong can exist only when the political forces fostered by Britain are allowed to stay in Hong Kong to exercise British-style administration.

Out of this sinister mentality, Patten seized every opportunity to visit abroad and every interview to make alarmist talk, pass on negative information on Hong Kong, stir up contradictions, and create trouble. His intention is: "Even though I leave, I am not going to let you have a good time."

Will there be democracy after 1997? Will Hong Kong people be allowed to rule Hong Kong after 1997? Will the interests of foreign investors be protected after 1997? Who actually dismantled the through-train? The Chinese side will clarify and explain in order to dispel the negative effects created by Patten.

Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, recently gave an interview to a reporter of the American Broadcast Corporation and answered relevant questions, indicating that China has started a new round of international propaganda.

During Patten's visit to the United States, he never said that there would be better protection for the rights and interests of U.S. businessmen after 1997. Instead, he continuously made malicious remarks on China, saying that Hong Kong is "under threat," as if "there will be a total loss of confidence in Hong Kong" after 1 July 1997. Lu Ping told the U.S. television audience: Before 1997 Hong Kong laws restricted the right of abode of foreign residents. Foreign inhabitants, including Americans,

cannot become permanent residents and do not have the right of abode no matter how long they have stayed in Hong Kong. After 1997, however, Americans and nationals of other countries, may become permanent Hong Kong residents and have the right of abode if they stay in Hong Kong for over seven years and take Hong Kong as their permanent place of residence. These changes prove that China's policy towards Hong Kong is not as bad as described by Patten. China is sincere in pursuing the concept of "one country, two systems." China has also adopted specific measures to encourage foreign investment in Hong Kong. Moreover, they will be given a better environment for work and business so that they can join Hong Kong people in the effort to boost Hong Kong's economic prosperity.

Will there be democracy after 1997? Patten adopted the means of cutting the head and tail, and distorting history and the facts to say that there would be no democracy and elections in Hong Kong if the Legislative Council unilaterally formed by him cannot span 1997. This is a mean trick played to mislead the international community. Any government in the world has its term of office. Even though a parliament is elected, it cannot become everlasting and extend its term of office. Patten did not explain to the world that British rule would terminate in 1997. As a governor, his term of office terminates in 1997 and so does that of the organs and officials appointed by him because the constitutional documents "Imperial Edict" and "Royal Instructions" will no longer be effective. The new constitutional document in 1977 will be the Basic Law and the organ of power responsible for preparing the new government and legislature will be the Preparatory Committee appointed by the National People's Congress.

Director Lu Ping exposed to the international community Patten's lies. The first legislature of the Hong Kong SAR will be elected in 1998 in light of the Basic Law. The Basic Law stipulates that all the members of the legislature will eventually be elected through universal suffrage. However, the pace of democracy should develop step by step.

The gradual development of democracy is a correct policy which will ensure Hong Kong's smooth transition, prosperity, and stability. Was there any democracy under the British administration? Were the Hong Kong governors before 1997 elected? Hong Kong people can select their own chief executive only after 1997. Election of the SAR legislature should also proceed step by step, with the proportion of direct election increasing gradually. These are forceful measures for the healthy development of democracy. The British side had in 1990 affirmed the development of the political system stated in the Basic Law. Instead of mentioning this part of

history. Patten attacked the Basic Law and the Chinese Government on international occasions. He has distorted the truth. As regards the through-train, it is the grave consequence of Patten withdrawing from the talks and refusing to implement the Sino-British agreement. As the SAR cannot hold elections before 30 June 1997 and must also avoid the "legal vacuum," China has to set up a provisional legislature to obtain a stable environment and to responsibly, seriously, and perfectly make arrangements for the democratic elections of the first legislature. Hence, it is groundless to criticize China for not making arrangements for the elections.

Lu Ping said that political parties must abide by the law after 1997, which refers to all political parties. So long as one carefully reads the Basic Law, he will know that political parties must abide by the SAR law. If some parties abide by the law while others do not or even exceed their functions and adopt illegal means to overpower the other political parties, that would not be fair competition. Can we regard these as healthy and fair democratic rules? The stress on abiding by the law means seeking a healthy democratic development, which accords with the interests of Hong Kong. All countries in the world have provisions in their laws for the activities of political parties. It is unjustifiable for any individual to ignore the provisions of the Basic Law and defend the activities of the political parties which are against the constitution and the law. When the truth is explained by the Chinese Government to the international community, Patten's sophistry will collapse of itself.

Hong Kong: Democrats Welcome Lu Ping's Assurance on Elections

HK2905071396 Hong Kong EASTERN EXPRESS
in English 29 May 96 p 2

[By Sam Mok]

[PTS Transcribed Text for FBIS] The Democratic Party can continue to operate and stand for elections after 1997 as long as it abides by Hong Kong laws, the Director of the Hong Kong and Macao Affairs Office, Lu Ping, said.

"I don't think there will be any difficulty for them," Lu said, in an interview with ABC News in Beijing.

The Democrats can contest future elections "as long as they abide by the law, that's all — and not the Chinese law, but the Hong Kong law".

The Democratic Party welcomed Lu's remark, but with some reservations.

"Our worry is, what will the future laws be?" the party leader, Martin Lee, said.

"If the provisional legislature passes draconian laws to reduce the freedom of citizens and political parties, activities which are legal may become illegal after 1997."

The party's vice-chairman, Yeung Sum, said electoral laws to be passed by the provisional legislature might also be unfair to the Democrats.

Other party members also said Lu was not clear on the fate of the Democrats who are also members of the Hong Kong Alliance in Support of Patriotic Democratic Movements of China, an organisation branded subversive by Beijing.

Governor Chris Patten welcomed Lu's remark.

"If Mr Lu is saying that the Democrats have a role in Hong Kong after 1997, then I welcome that," Patten said.

"I think it's a statement of the truth. If it's true, then the sooner Chinese officials start to talk to the Democrats the better."

The governor's call was echoed by executive councillor Jimmy McGregor.

"If Lu Ping is genuine in making those remarks then at an earliest stage he and his own officials or perhaps the NCNA [New China News Agency] (Xinhua), ought to be in direct discussion with the Democratic Party leaders."

Meanwhile, the Chinese Ministry of Foreign Affairs spokesman, Shen Guofang, yesterday said political parties could continue to exist after 1997 if they "support the Basic Law, love the country, and love Hong Kong". The leader of the Democratic Alliance for the Betterment of Hong Kong, Tsang Yok-sing, said it would be "certain" that any law-abiding organisations would be permitted in the special administrative region.

"Director Lu is stating a fact, not showing goodwill to any party," Tsang said.

Lu also said the "first legislative council" of the Hong Kong special administrative region should be elected in mid-1998.

Lu said it would be "very difficult" for Frederick Pung, who has voted against the motion to set up the provisional legislature, to take part in the selection committee that is due to elect the first chief executive and the provisional legislature.

"Logically, if he is opposed to the provisional legislature, how can he participate in electing the provisional legislature?"

Lu said local people and human rights groups would still have the right to criticise Beijing.

"They can freely express their opinions, but as to actions, they have to be careful...they must do everything according to law."

Hong Kong: Editorial Condemns Major's Support for Patten

HK2805095296 Hong Kong WEN WEI PO in Chinese 28 May 96 p A2

[Editorial: "John Major, Chris Patten Apply Great Pressure, Become More Unpopular"]

[PTS Translated Text for FBIS] Patten threw mud at Hong Kong's industrial and commercial circles in high-sounding words during his visits to the United States and Canada. To clarify the truth of the matter, the industrial and commercial circles wrote to British Prime Minister Major to express their disappointment in Patten. In his reply, the British prime minister did not offer any apology for Patten's words and deeds, which went too far, but rather sided with Patten and brought a false charge against the business circles by saying it was "groundless" for the business circles to feel "discredited." At the same time, he applied pressure to the business circles by demanding that they express gratitude to Patten for his trip to North America and support Patten's last legislative council in its efforts to serve beyond 1997 and human rights laws which override other Hong Kong laws. Major unconditionally backed Patten, evaded the facts and the focal points at issue, and made no distinction between right and wrong. His partiality will only encourage Patten to act more unscrupulously in administering Hong Kong and further alienate the British Government from Hong Kong businessmen. Anyone who shouts "democracy" while inhibiting the business circles from speaking out, and even forcing them to follow his line in speaking will be a quite autocratic and unpopular person. In his last visit to the United States and Canada, Patten flaunted the banner of "giving publicity to Hong Kong's prosperity and stability and increasing foreign investors' confidence in Hong Kong." Since he has drawn his salary and claimed travel expenses from Hong Kong's taxpayers, naturally his words and deeds must be consistent with Hong Kong's interests and he must explain to foreign investors the bright prospects of the "one country, two systems" system practiced in Hong Kong. However, Patten fabricated quite a lot of stories; criticized Hong Kong; and said Hong Kong's businessmen have "foreign passports in their pockets," "do not support democracy," "sell out Hong Kong," and "kowtow to the Chinese side." His remarks, which were reported in detail by **NEWSWEEK** weekly, have created a bad impression.

Such remarks can in no way increase foreign investors' confidence in Hong Kong; quite the contrary, foreign investors will not dare to invest in Hong Kong since they have learned from Patten that even Hong Kong businessmen "have foreign passports in their pockets and are ready to flee" and that there is "no democracy or rule of law" in Hong Kong.

The argument that Governor Patten made the remarks in reply to foreign investors' inquiries does not tally with the facts. Patten made the remarks on his own initiative during his speeches in an attempt to sow dissension among Hong Kong people and give the false impression to the international community that the middle class and grass roots are discontented with the business circles. Harmony and stability are most essential to any society. Patten cannot attract foreign investors by fomenting discord and damaging Hong Kong's harmony and stability. In appearance Patten promoted Hong Kong, but it turned out he was putting Hong Kong down. His words and deeds were naturally incompatible with those of a responsible governor. Patten neglected his duty and let Hong Kong people down. Television and magazines exert influence over many people, so once Patten's remarks were published, the damage caused was hardly repairable. As wronged victims, Hong Kong businessmen were entitled, even in the most autocratic society, to make their views known to the colonial governor's superior to redress their grievance. Besides, Hong Kong businessmen have been helping promote Hong Kong's rule of law, economic development, democracy, and people's livelihood, and how could these contributions be totally negated? It was also very necessary for Hong Kong businessmen to expound their dignity and position. This had nothing to do with "bringing down Patten." Hong Kong businessmen only exercised their right to speak to which they are entitled in a democratic society, and they also had the freedom of speech to argue for themselves after being groundlessly smeared. But Patten made use of some of the media to "politicize" the incident and raise it to a higher plane as if Hong Kong businessmen were engaged in "toppling him." Later Major rejected Hong Kong businessmen's self-explanation and demands in a rude manner by not focusing his reply on Hong Kong businessmen's complaints. Such a ploy of upgrading an incident to a higher plane and then wronging other people is extremely disgusting.

The greatest difference between the local business community and the governor in terms of interests lies in: The businessmen have settled down and have been getting on with their pursuits in Hong Kong, their property is in Hong Kong, their careers are based in Hong Kong, they do business in Hong Kong, and their

interests are closely related to Hong Kong's success or failure, while Patten will leave Hong Kong after 1997 and if Hong Kong is ruined by him, he has nothing to lose and will not care a bit. The business circles suggested that while talking to foreigners abroad who are not familiar with Hong Kong's situation, Patten should consider what effect his remarks will have and see to it that his remarks do not lead to reports "discrediting" Hong Kong. Such a view is sensible and reasonable and it is not too high a demand by taxpayers on a civil servant. The British Hong Kong Government always say they are "civil servants" and Patten claims he has spent more than half his life in democracy in Westminster, so they should have magnanimity in accepting criticism from taxpayers. But to our surprise, Patten brazenly went in for rhetoric, saying that he had never said "the business circles have sold out Hong Kong."

This is not a serious approach to an issue. If Patten had not said that, he should have written directly to NEWSWEEK asking them to make a correction to show his responsibility toward Hong Kong and foreign investors. But he did not do so and this can only prove that he is satisfied with the NEWSWEEK report, which conveyed his remarks accurately. Therefore, denial can only prove he has a guilty conscience. If he offered clarification, NEWSWEEK would produce the recorded tape to show they had not distorted his remarks. This would reveal completely his ugly face. So he could do nothing but gang up with Major in sending the local businessmen a reply which tried to subdue them by "applying pressure" and which failed to focus on the businessmen's complaints, in an attempt to seal the mouths of the businessmen and to prove they have bigger mouths as officers. [sentence as published] This could only serve to outsmart themselves.

The difference between Hong Kong businessmen and Patten is that the former hope for a smooth transition and prosperity. They have been of the opinion that it was improper for Patten to go against the seven letters between Chinese and British foreign ministers and derail the through train. The present situation was all created by Patten. To achieve a smooth transition, the Hong Kong business circles hope Patten will, instead of making trouble, properly cooperate with the Chinese side and acknowledge the provisional legislature so that there will not be a "legal vacuum" on 1 July 1997, the interests of all investors will be protected, and local society will function normally. This is quite reasonable and anyone who loves Hong Kong would do this. If Patten continues to have his own way, he will break further away from the local community and become more isolated.

Hong Kong: Commentary on Smooth Hong Kong Transition

OW2805140696 Beijing XINHUA Domestic Service
in Chinese 1115 GMT 27 May 96

[Commentary by XINHUA reporter Fan Liqing (5400 7787 7230): "The Goal Is To Ensure a Smooth Transition — Written on the 400th Day in the Countdown to Hong Kong's Reversion"]

[FBIS Translated Text] Beijing, 27 May (XINHUA) — There are only 400 days before Hong Kong is returned to the motherland. The just-concluded Third Plenary Session of the Hong Kong Special Administrative Region [HKSAR] Preparatory Committee in Zhuhai provided us with a glimpse of the process of the preparatory committee's fruitful work, and showed that the Chinese Government's preparations for the HKSAR's founding by "taking ourselves as the dominant factor" and by "catering to and relying on the people of Hong Kong" are proceeding in an orderly and step-by-step manner. This is a fundamental guarantee of Hong Kong's smooth transition. It is the sacred mission of every Chinese to work in concert with the preparations for the HKSAR's founding; with a strong sense of historical responsibility and mission during the final stage of reversion to ensure a smooth transition and the realization of "one country, two systems" before it is practiced in other places.

During his recent meeting with members who attended the Third Plenary Session of the preparatory committee, President Jiang Zemin pointed out: "Our goal is to achieve a smooth transition in Hong Kong." "China's resumption of the exercise of sovereignty over Hong Kong and the maintenance of Hong Kong's long-term prosperity and stability accord with the popular will and represent the common aspirations of all Chinese people." "It is in the interests of Hong Kong compatriots, China, and Britain to achieve a smooth transition in Hong Kong." President Jiang Zemin's remarks not only underscored the importance of achieving a smooth transition and illustrated the great importance that the Chinese Government attaches to Hong Kong's smooth transition, but also pointed out the most basic issues and charted the course of work in the final stage of reversion to the motherland. At the closing of the Third Plenary Session of the Preparatory Committee, Vice Premier Qian Qichen stressed once again: "No matter what area of work we are engaged in, we should keep in mind the need to ensure a smooth transition."

There are several important conditions for achieving a smooth transition in Hong Kong. These include the smooth transfer of government on 1 July 1997, the HKSAR's smooth and successful founding, and the smooth

transfer of Hong Kong's political, economic, educational, and cultural systems. Of these, the transition of Hong Kong's civil servants is the most important one.

To achieve a smooth transfer of government and a smooth transition in Hong Kong, the British side should fulfill its obligations under the Sino-British Joint Declaration and fully cooperate with the Chinese side in the final stage of Hong Kong's reversion. In the interest of the HKSAR's smooth and successful founding, the Chinese side will certainly continue to uphold the principle of "catering to and relying on the people of Hong Kong;" unite the majority of Hong Kong compatriots to support the preparatory committee's work; and continue to urge the British Hong Kong authorities to adopt practical actions to provide full assistance for the preparatory committee's work. As before, the Chinese side will secure the British side's cooperation to achieve a smooth transition in Hong Kong in the political, economic, and social spheres.

Since its establishment, the preparatory committee has carried out all of its work with a view to achieving a smooth transition in Hong Kong. It submitted a proposal to the National People's Congress (NPC) Standing Committee on issues related to the implementation of China's Nationality Law in Hong Kong. Following the NPC Standing Committee's approval, the preparatory committee provided an explanation regarding the implementation of the Nationality Law in Hong Kong after 1997, thus guaranteeing freedom of movement into and out of the territory for Hong Kong compatriots after 1997. The preparatory committee adopted a resolution on establishing a Provisional Legislative Council to avert a "legal void" during the transfer of government in Hong Kong. It adopted a resolution on school textbooks to facilitate the smooth transition of Hong Kong's educational system. It put forward principles and ideas regarding the procedures for forming the selection committee, thus laying a solid foundation for eventually working out specific procedures governing the formation of the selection committee. The preparatory committee's special panels also studied and discussed the suggestions and opinions put forward by the relevant Preliminary Working Committee special pan-

els regarding the Hong Kong fiscal 1996-97 budget and important issues pertaining to the transfer of government, Hong Kong's long-term economic development, and the adoption of Hong Kong's existing laws as the laws of the special administrative region. Over the next six months, the preparatory committee will engage in the actual work of forming the selection committee. Candidates for the first chief executive and members of the Provisional Legislative Council will be nominated within this year. Since these are major measures that have a bearing on Hong Kong's future and determine Hong Kong's long-term development and the Hong Kong people's interests, they have attracted great attention and interest at home and abroad. All preparatory committee members are redoubling their efforts as they work within the framework of this master schedule. This requires the broad participation and joint efforts of Hong Kong compatriots, as well as the concern and support of all Chinese people at home and abroad. Concerted efforts will ensure success in the preparatory committee's work.

In stressing the need to ensure a smooth transition in Hong Kong, we should also underscore the need to thoroughly promote and study the Hong Kong Basic Law. It is not enough that Hong Kong compatriots improve their understanding of the Basic Law. The broad masses of cadres and people on the mainland should also redouble their efforts to study and understand it; improve their understanding of the principles of "peaceful reunification and one country, two systems" in a comprehensive and accurate manner; understand the need to ensure Hong Kong's smooth transition, prosperity, and stability within the context of promoting the great cause of reunifying the motherland; make conscious efforts to implement the principle of "one country, two systems" and maintain Hong Kong's smooth transition, prosperity, and stability; and make concerted efforts to ensure the implementation of the principle of "one country, two systems" and the Basic Law concept of letting "Hong Kong people govern Hong Kong with a high degree of autonomy," as well as the realization of "one country, two systems" with Hong Kong's smooth reversion.

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